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FLORIDA**

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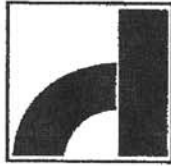
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GOVERNMENT FINANCE OFFICERS ASSOCIATION

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**Miami-Dade County  
Florida**

For the Fiscal Year Beginning  
**October 1, 2002**

President

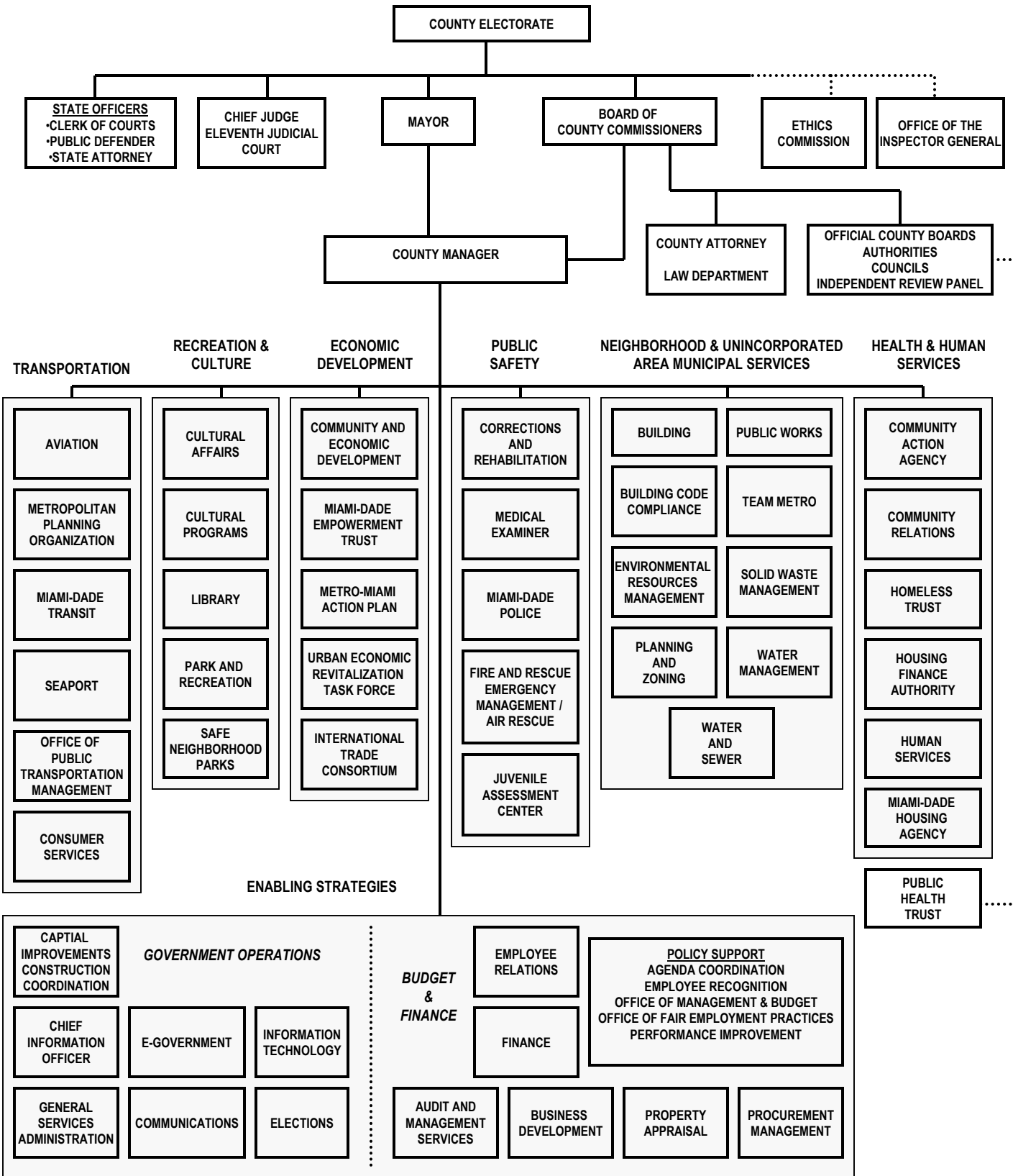
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Miami-Dade County, Florida for its annual budget for the fiscal year beginning October 1, 2002. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

# MIAMI-DADE COUNTY

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## **MIAMI-DADE COUNTY, FLORIDA**

**GEORGE M. BURGESS**  
COUNTY MANAGER

July 11, 2003

Honorable Alex Penelas  
Mayor

Honorable Chairperson and Members  
Board of County Commissioners

Dear Mr. Mayor, Chairperson Carey-Shuler, and County Commissioners:

In accordance with the Home Rule Charter and State law, I am submitting for your consideration the recommended FY 2003-04 Proposed Budget. I am truly excited and honored to serve Miami-Dade County as County Manager. I look forward to working with each of you, my staff, department directors, and all of the County employees to define priorities, meet the challenges facing us, and strengthen and improve County services. As you know, I assumed the County Manager position on June 12 and have had very little time to review and modify budget recommendations that have been formulated over the last several months. While I am not uncomfortable with this Proposed Budget as a point of departure, more work needs to be done.

In his Budget Message, Mayor Penelas requested that the Proposed Budget be submitted on July 1, 2003. That date would have given the Board and the Mayor three weeks to review the document before considering the proposed millage rates at your last meeting in July. I want to thank Mayor Penelas, Commission Chair Dr. Barbara Carey-Shuler, and the other members of the Board for recognizing that enforcing such a due date would have left virtually no time to realistically review and balance the Proposed Budget. Even with that extra time, since my return to the County on June 12, there was less than one month to review the budget. The budget briefings I did receive left me uncomfortable with some of the assumptions and recommendations in the Proposed Budget. However, there was insufficient time for me to address those issues before the budget had to be submitted pursuant to the Charter and state law. In addition, because of the timing of my return, I was not able to meet with each of you to discuss in depth your budget priorities before this document was submitted. I will be scheduling meetings over the next few weeks with you so that we can discuss budget issues before the September budget hearings.

In light of the timing constraints, the Proposed Budget should be considered a work in progress. As discussed in more detail below, there are still many issues regarding service levels, organizational structure, and staffing levels that I intend to review more extensively. Those issues will be analyzed over the next few weeks so that additional recommendations can be presented to you before the budget hearings in September. I anticipate that there will be savings generated as a result of those reviews. Those savings could be used to adjust recommendations being made at this time, fill gaps in service, or strengthen reserves.



I do believe the Proposed Budget, with some modifications, will establish a foundation from which we can continue to strengthen customer service initiatives, begin to address fiscal realities and improve the County's financial stability, and lay the framework for addressing a strategic vision for the County without increasing the total millage rate above the current level. At the same time, Miami-Dade County is experiencing the same issues and challenges as most local governments throughout the Country. The economic downturn, coupled with increased demands for services and contractual and state and federal mandated cost increases, have put a severe strain on our ability to maintain services. While services are generally maintained and while the Proposed Budget does not include sweeping layoffs, some service adjustments are necessary. In particular, service levels will suffer as vacant positions increase, the result of higher levels of attrition required to balance the budget. To offset the negative service implications, the County must change the way it does business. We must align services to focus on long-range strategic goals; we must become results oriented, achieving objectives in the most efficient and effective ways; we must re-align our organizational structure and business processes to reduce unnecessary administration and bureaucracy while maintaining necessary checks and balances; we must use technology in a sound business manner to provide customer service at lower costs; and we must maintain financial stability, matching the cost of services to available, recurring revenues. Over the next several weeks before the budget hearings in September and for the rest of my tenure as County Manager, I intend to emphasize those five initiatives. By doing so, I am confident that the negative impacts to the County's primary objective of service to the public will be minimized.

## **MANAGEMENT PHILOSOPHY**

The County must be sensitive and responsive to its customers, train and develop its workforce, and be focused on innovation and efficiency. To achieve those ends, we must develop sound customer-driven priorities based on a clear long-range strategic vision. While it is difficult when faced with the multitude of challenges that present themselves everyday to focus on our future, without vision and a plan, progress is impossible. With your leadership, the County has taken the first steps to define its goals. You have supported and approved the strategic planning process, the County's mission statement, guiding principles, strategic goals, intended outcomes, and initial performance measures. We need to continue that process and direction. As I develop my management team and organize my Office, I intend to place a priority on a management approach that imbues the organization with a sense of the importance of strategic planning, a results oriented approach to management, and performance-based decision making.

The Proposed Budget document is a step in this process towards our transformation into a results oriented government. Departments have defined business plans that are aligned with the multi-year strategic plan. Departmental objectives have been developed to define the steps needed to achieve the business plan. Performance measures are used to quantify the progress made towards achieving the objectives and to report to the County Commission and the public the results. Quarterly management reports have been revised to be more results oriented. The Board will receive the first of these revised reports in August. Over the next year, as we prepare for the FY 2004-05 budget and beyond, it is my intention to strengthen this results oriented approach and to integrate the budget process further into the strategic and business planning process to ensure we are allocating resources based on our strategic priorities.

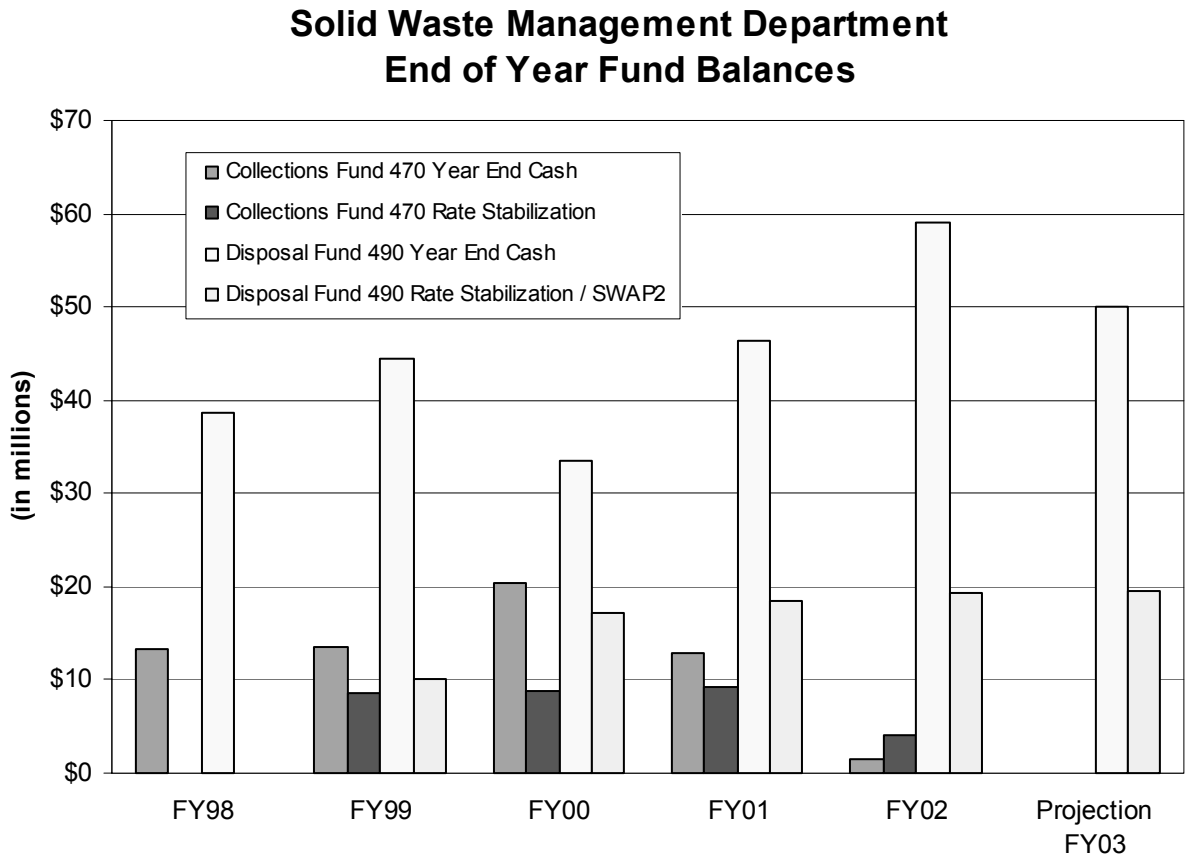
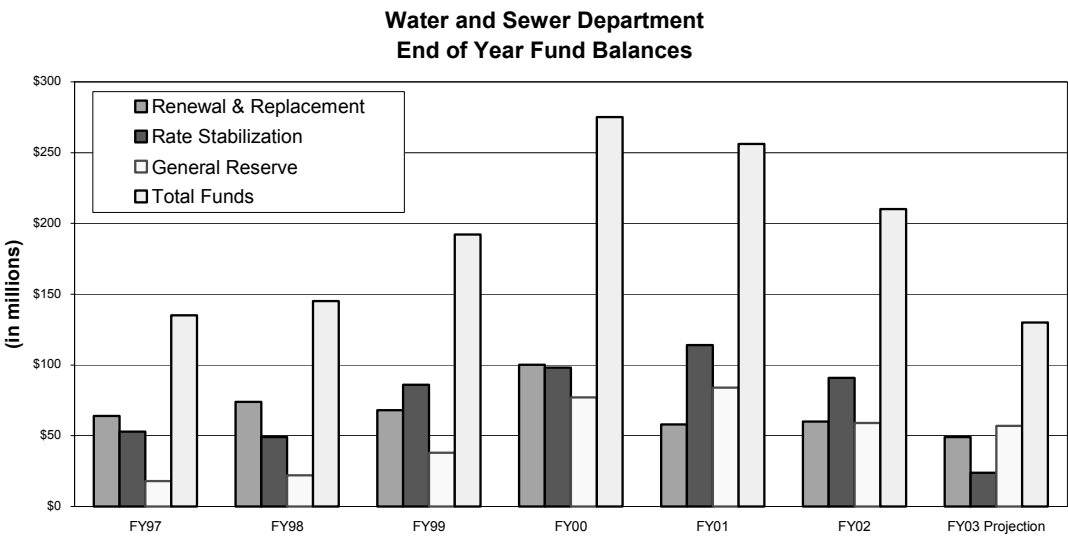
Following through on commitments is a critical aspect of customer service. To that end, performance information has been incorporated into the revised reporting system to track your budget priorities as well as business plan objectives. Those reports will be made available quarterly to highlight our progress in achieving our goals.

Last spring, Commissioner Souto sponsored a resolution calling for an annual program review of each department over an eight-year cycle. Such a review will serve as an opportunity to align programs with the strategic plan, and should become an important tool in the realization of the County's vision. The first review, in accordance with the implementation plan presented to the Budget and Finance Committee on May 15, 2003, will focus on the health and human service agencies under the Economic Development and Human Services Committee, and is scheduled for this fall with a report being submitted to the Committee and County Commission early in 2004.

An important strategic goal of the County is to maintain its financial stability and bond ratings. I forcefully intend to achieve that goal. As I have explained to you, it is easy to fall into a downward spiral of financial instability, and it is difficult to climb out of a financial pit once in it. The County is not at that point. However, action must be taken to assure we stay strong.

As noted by the Mayor and the Board when it adopted Resolution R-662-03 which was sponsored by Commission Chair Carey-Shuler, and which called for a general fund reserve policy, general fund reserves must be strengthened. We cannot fund on-going services with one-time revenues. I would like to reach the point where the annual general fund carryover is used to bolster reserves for emergencies or other exigencies and perhaps fund one-time maintenance and repair needs, and is not used to fund recurring activities. While we are not at such a point now, I am able to recommend that the approximate value of the general fund carryover be allocated to the Capital Outlay Reserve for one-time capital requirements. In addition, as described below, I have a recommendation regarding the re-allocation of the debt service millage rate that can be used to provide an Emergency Contingency Reserve while still maintaining the capacity for a \$1.2 to \$1.6 billion general obligation bond program. I urge the Board to give serious consideration to this financially prudent recommendation.

Self-supporting programs must provide the levels of service required by their customers, and services must be provided in an efficient and effective manner. Consequently, fees must be set at levels consistent with those service levels. For too long, proprietary agencies, such as the Water and Sewer Department and the Solid Waste Management Department, have used carryover and reserve funds to maintain levels of service beyond that funded through on-going revenue streams. As discussed with Commissioner Seijas and the Environmental and Government Operations Committee and described below in more detail, it is now necessary to adjust the fees for those departments to cover operating costs, to meet debt coverage requirements, and to maintain adequate reserves.



A complementary approach to achieving financial stability is to increase outside sources of revenue. The state and federal governments are facing their own budget challenges; often their response is to mandate local governments to provide funding or to fill service gaps. At the same time, however, significant federal funds may be available to help fund services that we now or are going to provide. We must maximize our opportunities to receive such funds by taking a proactive approach, working with the state and federal governments to identify and apply for such funds. To do so may require us to change our operational policies and procedures or to adjust the focus of a program while still maintaining critical services. To the extent that we can receive long-term funding commitments, services can be maintained or improved without additional burden on the local taxpayer. At the same time, we should be assisting community-based organizations to maximize their revenue opportunities in order to reduce their dependence on County funding. The Proposed Budget recommends increasing the staff working on grant coordination by two positions to address those issues. Top priority assignments for the Grant Coordination Office are to work with staff from my Office, the Intergovernmental Affairs Office, and County departments to identify opportunities for revenue maximization and to develop, as requested by the Mayor in his Budget Message, a Children's Budget identifying the programs and current funding sources focused on children and revenue maximization opportunities expressly focused on such programs. While the Children's Budget should ideally address programs offered by providers throughout the community, we have discussed with the Mayor's staff including only County programs as a first effort in this regard. I expect the Children's Budget to be completed in the fall for submission to you.

The purpose of government is to serve the public, our customers. Programs to improve customer service, such as a unified call center, increased access and convenience through information technology, and a commitment to achieve the objectives included in departmental business plans and the budget must be priorities for our employees. At the same time, we must continue to improve efficiency. Information technology is an incredible customer service tool. It allows for access to information, payment of bills, and registrations over the Internet. Customers of the Building Department can follow the inspection process on-line. New improvements allow for expedited plans processing. With the cooperation of Clerk of the Courts Harvey Ruvlin and Chief Judge Joseph Farina, we are expanding the SPIRIT (Simultaneous Paperless Image Retrieval Information Technology) project from the Traffic Courts to misdemeanors in order to make the courts more responsive and efficient and to increase fine collections. However, technology is not an end in itself. Rather, technology should support business plans by making services more effective or efficient. Also, technology investment decisions should be based on a clear business case, and not simply based on the latest trends in the industry. While this budget generally continues existing technology initiatives, I have asked Judi Zito, the County's Chief Information Officer (CIO), to review each initiative to assure that they are based on sound business decisions. If necessary, initiatives will be redirected or phased to match available funding. Also, certain technology projects had been approved to be funded from financing proceeds. I have requested the CIO to review with the Finance Department and the Office of Management and Budget the phasing of development projects and to recommend which projects could be scheduled on a pay-as-you-go basis in order to reduce the reliance on financing and the ensuing long-term payment commitment. I have asked for the CIO's report on these issues to be completed before the September budget hearings.

I mean it when I say that our employees are our most important assets. The County workforce consists of dedicated employees who want to provide quality service. They must be provided with the support needed for their jobs. Orientation programs for new employees, including ethics training and an introduction to the County, as well as skills courses, such as those for supervisors, must be available and must be used. The Miami-Dade University (MDU) has been established to coordinate all general employee-training programs. I have asked Don Allen, the Employee Relations Director, to review the current MDU program and structure and to recommend refinements to assure that needed training is provided to employees efficiently, effectively, and

affordably. We must also ensure that our employees are compensated fairly for their work and that the compensation is consistent with performance, especially in our executive ranks. Currently, a review of the County's compensation system is underway, and staff from the Employee Relations Department has implemented a pilot program for a revised performance evaluation system for department directors. I have asked Director Allen to review the pilot program expeditiously, address any operational issues identified in that review, and develop a phasing plan to extend that program to all directors, assistant directors, and division directors by FY 2004-05 and to provide alternatives to the current merit pay program. It is my intention to provide a full report regarding compensation issues when those reviews are complete.

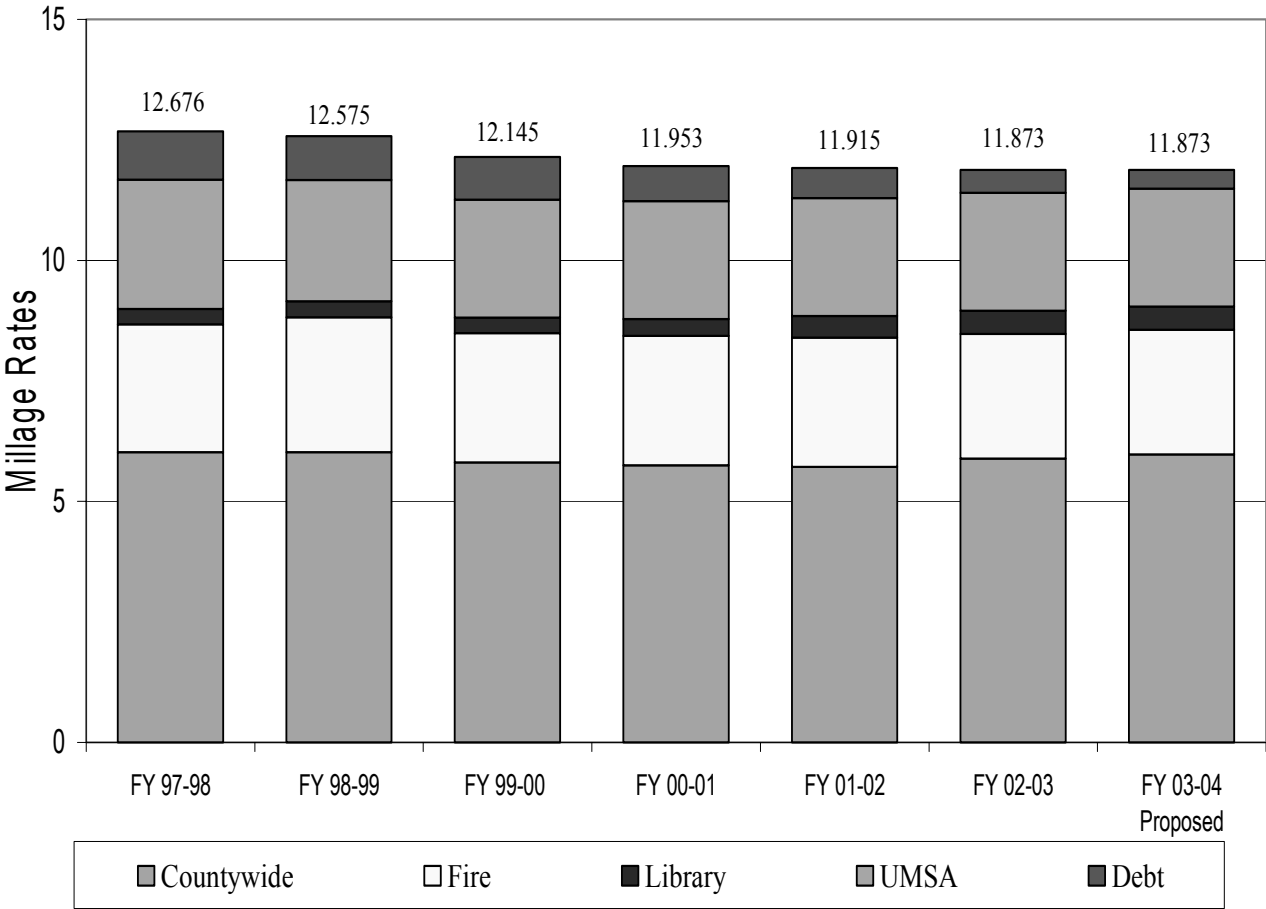
Other personnel procedures and policies must also be addressed. For example, the Mayor, in his veto message of the mid-year budget amendment, raised concerns regarding retroactive reclassifications and pay adjustments approved administratively before funding was approved by the County Commission. I have directed that, until a full review and recommendations can be made, all requests for reclassifications or retroactive pay adjustments (except those made in accordance with the provisions of collective bargaining agreements) must be reviewed by the Office of Management and Budget and my Office to determine the operational necessity and fiscal support of such changes before being considered by the Employee Relations Department.

Also, we have seen much success with the gain sharing programs in the Corrections and Rehabilitation Department, the Water and Sewer Department, and the Park and Recreation Department. We must build on those successes and implement further programs in those and other departments. One goal of the structuring of my Office is to put an emphasis on such programs as well as managed competitions and other programs that will empower and reward employees, increase effectiveness and efficiency, reduce bureaucracy, and better serve our customers. I look forward to working again with Commissioner Morales as Chair of the Mayor's Efficiency and Competition Commission to develop more ideas in these areas.

## **PROPERTY TAX SUPPORTED ACTIVITIES**

The FY 2003-04 Proposed Budget recommends that the total millage rates for Countywide purposes (6.279 mills for operating purposes and general obligation debt), Unincorporated Municipal Service Area (UMSA) services (2.447 mills), fire rescue services (2.661 mills for operating purposes and debt service), and library services (0.486 mills) remain the same as in FY 2002-03. That total millage rate of 11.873 mills is the lowest since 1985, and is 6.3 percent lower than in FY 1997-98. Although the countywide property assessment roll for FY 2003-04 is approximately 12.4 percent higher than the current year roll, Amendment 10 to the State Constitution limits the taxable value increase on property with a homestead exemption to 2.4 percent. In addition, our most needy property owners who are eligible under the Save our Seniors amendment to the Constitution receive an extra \$25,000 in homestead exemption thereby providing property tax savings. At this time, 30,000 property owners have been certified to receive the additional exemptions.

## Countywide, Fire Rescue District, Library, and UMSA Operating Millages and Voted Debt Millages



Contractual and mandated costs, including the negotiated collective bargaining agreements (\$71 million), increased health insurance costs (\$17 million), and state mandated retirement increases (\$15 million), alone have a value essentially the same as the increase in the Countywide and UMSA general funds combined. These same costs have added to the pressure on the budgets of proprietary departments. Existing commitments and new program commitments, including the opening of new parks and expected security costs associated with the Free Trade Area of the Americas (FTAA) meeting in November, add millions of dollars more in new costs to the general fund budget.

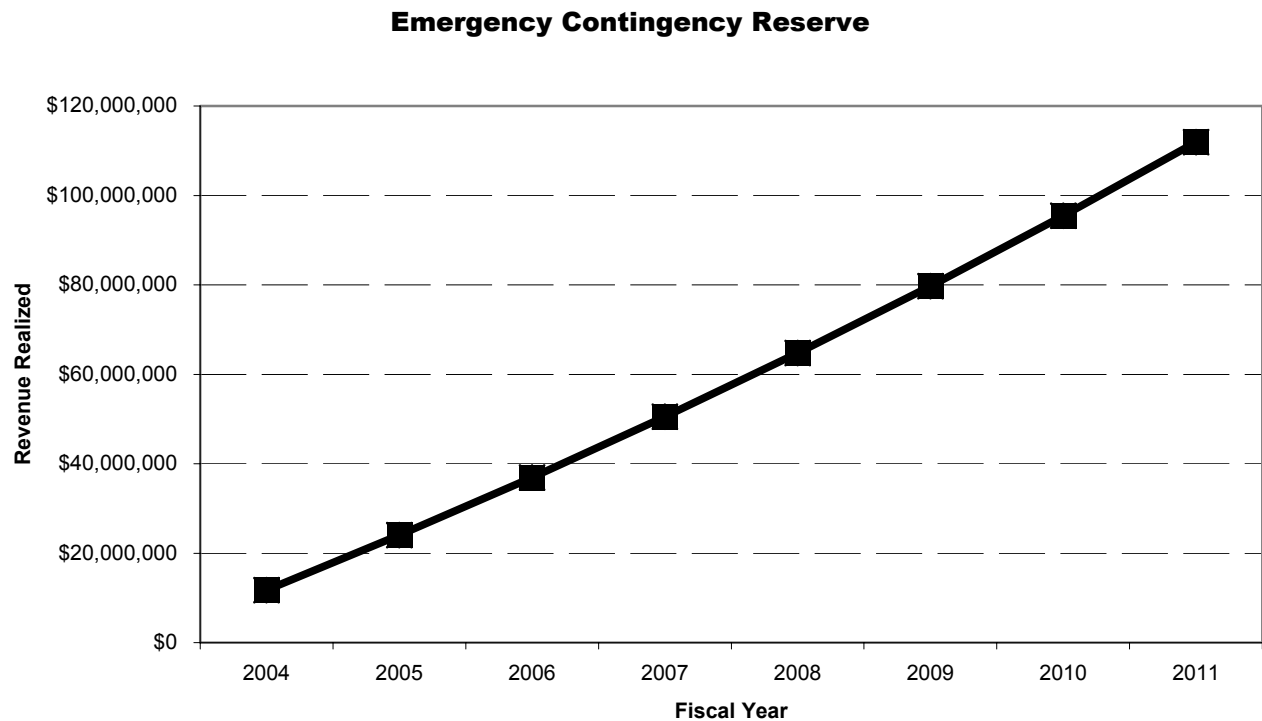
As noted above, increases in attrition levels are recommended to balance the budget. Attrition levels for almost all general fund agencies are approximately two percent higher than in the current year. A full description of the service impacts of this increase will be provided to you before the September budget hearings. As noted above, I anticipate that savings identified over the next several weeks will be available to ameliorate the most egregious service impacts.

The Countywide General Fund budget totals \$1.019 billion; the UMSA General Fund, \$439.5 million; the Fire Rescue District, \$226.3 million and the Library System, \$60.2 million. The total proposed operating budget, including proprietary funds, is \$3.622 billion. The Proposed Capital Budget is \$2.212 billion.

## **Countywide General Fund and Debt Service**

Of particular concern for the Countywide General Fund is the need to maintain adequate reserve levels and carryover. Adequate reserves and carryover are major factors used by bond rating agencies in judging the financial security and bond rating for the County. Because of the extraordinary costs during FY 2002-03, such as those associated with the November, 2002, election, and heightened security-related costs due to the post 9/11-environment, carryover into the FY 2003-04 Countywide General Fund is less than that anticipated when the budget was adopted in September. Departmental savings initiatives for all general fund agencies during the current year has ameliorated, but not eliminated the situation.

To provide a sound financial structure to the Countywide General Fund requires the establishment of a special reserve that will serve to provide a source of funds in the event of an emergency but will also insure a substantial carryover from year to year. Because general obligation debt payments are scheduled to decrease in FY 2003-04 because of the retirement of decade of progress and criminal justice debt, it is possible to adjust the debt service millage downward. Therefore, it is recommended that the debt service millage of 0.390 mills be reduced to 0.285 mills, the minimum required for the next eight years. The remaining 0.105 mills will generate \$11.1 million net of the mandated payments to the Public Health Trust (\$1.5 million) and the tax increment financing districts (\$320,000). It is recommended that the 0.105 mills be added to the countywide millage, but not for operating purposes. Instead the funds will be used to establish and build a separate and distinct Emergency Contingency Fund, which will grow to over \$100 million over the next eight years, assuming historical growth in the property assessment rolls. That Emergency Contingency Fund will provide a one-month operating reserve similar to the reserves required of proprietary agencies. The Emergency Contingency Fund should be limited to use in only the most unusual of circumstances, such as addressing natural disasters or unexpected revenue reductions that occur mid-year that cannot be absorbed through historical methods. Such an Emergency Contingency Fund policy would serve as a strong indication to bond rating agencies of the County's commitment to strong financial management. As discussed below, an eight-year commitment of 0.105 mills from debt service to build the Emergency Contingency Fund will have only a minimal impact on the size of a general obligation bond issue whose debt service millage would not be projected to exceed 0.390 mills (the current debt service millage) over the life of the bond program. Under this plan, the Countywide operating millage would grow to 5.994 mills from 5.899 mills, but the total of the Countywide operating millage plus debt millage will remain at 6.279 mills, the same as in the current year. After year eight, the debt service millage would increase back to the 0.390 level. Even with this Emergency Contingency Fund strategy we can still leverage approximately \$1.2 to \$1.6 billion for a General Obligation Bond Program, depending on the growth in the property tax roll.



With the leadership of Mayor Penelas and the Board, the citizens of Miami-Dade County approved the half-cent sales surtax to support transit. The financial support from the sales tax provides the means for the County to achieve the goal of a world-class public transportation system, linking local bus service and rail service to population centers, the Airport, the Seaport, and the region. Commissioner Moss, as chair of the Transportation Committee, and other Commissioners have requested a report to describe the strategy and work plan for achieving the voter-approved service objectives included in the People’s Transportation Plan. I see the report as a manifestation of strategic planning, and fully support that approach. The report needs to be prepared carefully, and I want to have time to review it in depth. Therefore, the budgets for Miami-Dade Transit (MDT) (\$324.3 million and 3,832 positions, including growth over the current year of 1,060 positions for drivers, mechanics and other positions directly related to increased service levels and customer service activities) and the Office of Public Transportation Management (OPTM) (\$6.4 million and 66 positions, the same as in the current year) have been recommended at a level that will realize the currently approved levels of bus and rail service expansion but do not address the longer-range issues and the organizational structure to best achieve those goals. It is my intention to review the budgets and organizational structure for those agencies and the departmental business plans for each carefully and then provide recommendations in those regards to you before the first budget hearing.

Since my return to the County, I have heard several various interpretations of the maintenance of effort requirement pertaining to transit operations. Ordinance 02-116, levying and imposing the County Charter Transit System Surtax included the requirement that general fund support for MDT and OPTM be no less than \$111.8 million (which was the budgeted amount of general fund support to the Transit Agency in FY 2001-02) annually. During FY 2001-02, other support to the Transit Agency included \$1.14 million for right-of-way maintenance along the Metrorail line from the Public Works Department, \$650,000 for debt service payments for buses and other equipment from the Capital Outlay Reserve, and \$460,000 for payroll services from the



Employee Relations Department. The Proposed Budget recommends increasing the maintenance of effort commitment from the general fund to \$114.1 million and transferring the responsibility for funding for the right-of-way maintenance along the Metrorail line, the debt service payments, and payroll services to MDT.

By making this change to the maintenance of effort level, it would be clear that non-general funds MDT and OPTM revenues would be responsible for funding any increases in those costs, such as for higher level of service. In addition to those costs identified to be transferred to MDT and OPTM, other administrative support services, such as subsidized rent for 56,000 square feet of space in the Stephen P. Clark Center, normal legal services from the County Attorney's Office, procurement support, etc., will continue to be provided without cost to MDT and OPTM. Enhancements to the basic levels of services, such as increased use of space or extraordinary legal support for eminent domain activity, would be treated as an MDT or OPTM responsibility. In addition, in FY 2001-02, Local Option Gas Tax (LOGT) revenues of \$4 million were allocated directly to the Transit Agency, and another \$10.4 million in LOGT revenues was used to pay rail-related debt. Therefore, it is recommended that \$14.76 million in LOGT funds be allocated to MDT and OPTM in FY 2002-03 and also in FY 2003-04. The balance of LOGT funds, including the 20 percent for unincorporated area purposes required by the interlocal agreement with the municipalities regarding the distribution of LOGT revenues, will be allocated to the Public Works Department for transportation purposes in accordance with state law. I believe these changes to the maintenance of effort allocations to MDT and OPTM will help clarify the issue.

Annually, the budget includes matching funds for beach renourishment and dredging projects. The Army Corps of Engineers will continue the 63<sup>rd</sup> Street hotspot remediation renovation project. No new funding is required for beach renourishment in FY 2003-04 to support ongoing projects. The Army Corps of Engineers should begin dredging the Miami River in the spring of 2004. The River has heavy sediment build-up that severely restricts navigation and greatly reduces the efficiency of the shipping industry on the waterway. Environmentally, the sediment is contaminated with pollutants that continue to pose an environmental threat to Biscayne Bay and the Biscayne Bay National Aquatic Preserve. There are two clear parts to the River Dredging Project. The dredging of the center of the river within the Federal Navigational Channel is currently estimated by the Army Corps of Engineers to cost approximately \$54 million (80 percent from the Federal Government, 10 percent from the State of Florida, 5 percent from the Florida Inland Navigational District, 2.5 percent from the City of Miami, and 2.5 percent from Miami-Dade County). The Proposed Budget includes \$234,000 of our \$2.7 million share in the Capital Outlay Reserve. The balance of our obligation will be provided in future years based on the timing of required funds.

The area outside the Federal Navigational Channel ("bank-to-bank") is currently estimated to cost approximately \$12 million (\$990,000 of Capital Outlay Reserve funds has been set aside for the "bank-to-bank" project in FY 2003-04). We will continue to negotiate with the City of Miami, the State of Florida, and the Florida Inland Navigational District to share funding for the "bank-to-bank" project. The Army Corps Of Engineers is scheduled to complete the river-dredging project in 2007.

Commissioner Heyman has sponsored a resolution regarding the transfer of the ocean lifeguard function from the Park and Recreation Department to the Fire Rescue Department. Also, a report regarding that transfer was reviewed by Committee, and the Committee recommended the transfer proceed. At this time the Proposed Budget continues the function in the countywide segment of the Park and Recreation Department budget. To allow staff time to address several open issues, including the possible effect on the Fire Rescue District, collective bargaining issues and other operational concerns. Staff is already analyzing these issues, and a complete report on the transfer will be provided before the first budget hearing in September.

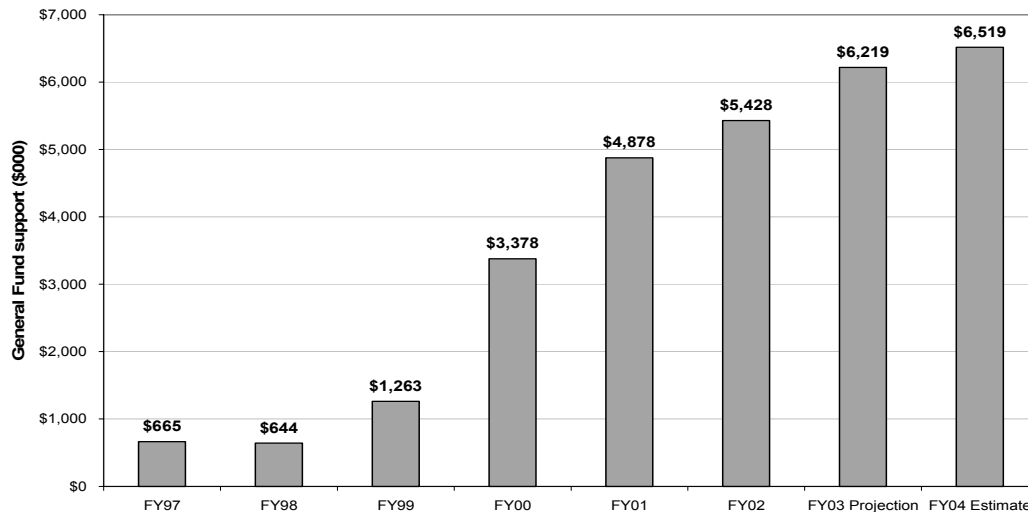
One of the cornerstones of our democratic system is impartial and credible elections. The budget for the Elections Department must be adequate to meet its operational requirements and to avoid any repeat of the debacle last September without incurring the extraordinary costs associated with the November election. The Proposed Budget recommends the Elections budget at \$11.6 million, an increase of approximately \$4.2 million and 22 full-time positions above the current year's budget. An increase was anticipated, both because there will be two countywide elections in FY 2003-04 (as opposed to one in FY 2002-03) and because of the need to increase the resources available to the department. However, the new Supervisor of Elections, Connie Kaplan, joined the County on July 1, 2003, and she has not had the opportunity to participate in the development of the Elections Department budget. I have requested the Supervisor of Elections to work with my Office, the current staff at the department, and the Office of Management and Budget to review the proposed budget and recommend any necessary changes before the budget hearings in September.

For two years, the Office of Community and Economic Development has been requested to identify funds for a Summer Youth Job Program. For FY 2003-04 it is recommended that \$1 million of Community Development Block Grant Fund be allocated to the Head Start capital project, thereby freeing a like amount of general funds. The Proposed Budget recommends that the freed up general funds be used for the FY 2003-04 Summer Youth Job Program.

Other highlights of the Countywide General Fund budget include:

- An allocation for estimated security costs associated with the FTAA meeting in November (\$8 million);
- Funding to the Capital Outlay Reserve to establish a preventive maintenance program for General Service Administration buildings (\$2 million); construction of two new Head Start centers and replacement of Head Start modular units (\$3.611 million and \$1 million from Community Block Grant Funds); debt service (\$15.349 million) for the purchase of a building for the Elections Department and warehouse, information technology projects (including a County Answer Center (\$850,000 is included in the operating budget for half-year operation of the center) and an expansion of the mainframe computer), repairs to the Golf Club of Miami, repairs to the Miami-Dade County Courthouse façade, replacement of an Air Rescue helicopter, replacement of the bleachers at the Crandon Tennis Center, and for the contractual payment to the Miami Children's Museum; repairs and renovations to various correction facilities (\$1.752 million), park facilities (\$5.725 million), and other County facilities; design for the Ferri Property park (\$250,000) (with initial development costs in reserve if required based on development schedules); final payment for the purchase of the Miami Circle (the \$2.7 million payment is covered by a non-general fund unencumbered trust fund appropriation balance that is recommended for transfer to the COR); and repair of the freeze and weather warning system for agricultural interests in south Miami-Dade County (\$55,000) (a portion of the revenue in the Capital Outlay Reserve is provided from the UMSA General Fund to support UMSA -related projects, such as the park renovation projects);
- Elimination of 100 24-hour vehicle assignments, resulting in a \$2 million savings from the purchase of new vehicles; the savings will be to support the Capital Outlay Reserve;
- An allocation for the upgrade of the avionics, communications equipment, and night vision equipment on the two older Air Rescue Helicopters to allow for additional safety, better communications with other rescue units, and the ability for night search and rescue missions;
- An increase to the general fund support for cultural grant programs (\$300,000); this amount addresses partially the request for a \$1.25 million per year increase for the next three years

### Cultural Grants Programs (General Fund Support)



- Funding (\$2.6 million) as a contribution to the Healthflex Program to provide insurance to the working uninsured in Miami-Dade County;
- Elimination of the New Beginnings Pilot Program which did not attract the number of clients expected (\$372,000);
- Continued funding of childcare matching funds (\$7.4 million);
- Continued funding for the Youth Crime Task Force (\$3 million);
- Reduced costs for Child Development Services through the use of grant funds to replace general fund requirements (\$3.4 million);
- Transfer of Dial-a-Life coordination from Communications to the Domestic Violence Program, saving \$90,000 in the general fund;
- Continued funding (\$3.5 million) for 6,528 slots for the Head Start and Early Head Start programs for a 175-day program, the same as in the current year (the Community Action Agency has prepared a request to the Children's Trust to fund an expansion of the programs to 185 days at a cost of \$2 million);
- Additional resources to the Property Appraiser to assure that the property tax roll is correct and to meet new requirements from the state regarding the appeals process (\$1.5 million);
- Phase in of three additional positions for the Ethics Commission to address increased workload;
- No funding is included at this time for the Digital Marketing Program.

### Unincorporated Municipal Service Area General Fund

The millage rate for the UMSA General Fund is recommended to remain the same as in the current year, 2.447 mills. Recent incorporations, however, will have a significant effect on the UMSA general fund. Three new cities, Palmetto Bay, Miami Gardens, and Doral, will be receiving State Revenue Sharing funds beginning this month. While their doing so does not affect the County's Revenue Sharing Funds, the cities are also then eligible to receive allocations from the local option gas taxes (\$1.1 million affect on the Countywide General Fund) and from the State Shared Sales Tax. The reduction in sales tax revenue to the unincorporated area is \$11.9 million. (The sales tax allocation formula provides an increase of \$3.6 million to the Countywide General Fund). In addition, it is estimated that Miami Gardens, during a transition period lasting through September,

2004, will receive services exceeding revenues received directly by UMSA from the area of the city by \$12 million, taking into account the reduction in sales tax revenues. However, Miami Gardens will receive funding directly from the state including sales tax and municipal revenue sharing funds. As in the case of all new cities, we will reconcile the cost of service provided to the revenue received by each new city. In the case of Miami Gardens, the UMSA General Fund budget includes a payment of \$12 million from the city to fund the cost of transition year services. To the extent that the City can reduce the transition period and provide services directly or through contract, this amount can be reduced. Under no circumstance should the Countywide or UMSA taxpayers provide a subsidy to any new city.

Palmetto Bay and Doral are donor areas. The Proposed Budget includes a mitigation payment as well as contractual payments for police services from Palmetto Bay. The cost of services during the Doral transition period should be covered by revenues attributable to the city received by the County, and a reconciliation to assure there is not subsidization for Doral will be done before any payment of excess revenues is made to the city. Again, just as with Miami Gardens, under no circumstance should Countywide or UMSA taxpayers subsidize either Doral or Palmetto Bay.

In light of these incorporations and the reduced area and population of UMSA, the Proposed Budget recommends the phasing-out of one Team Metro office, saving \$750,000 and reducing staff by 21. It is anticipated that the staff can retain employment with the County by transferring to other functions, such as support of the answer center.

The allocation to the Miami-Dade Police Department includes an increase of \$5.38 million for overtime activities associated with enhanced enforcement activities. The increase is needed to offset partially the loss of Law Enforcement Trust Fund and Law Enforcement Block Grant funds that had been available in the past. With the increase, the general fund allocation for enhanced enforcement activities and increased crime fighting activities increases to \$14.9 million. The Proposed Budget provides funding for the current level of school crossing guards, at 449. Because carryover funds for the crossing guard program were used in the current year and because of increased costs associated with the Living Wage Ordinance, the subsidy for the program grows to \$2.8 million in FY 2003-04 from \$900,000 budgeted (\$1.7 million projected) this year.

The proposed budget for Police includes funds (\$5.88 million) sufficient to provide training classes for new officers beginning in October, May, August, and September. With those classes, the Department is expected to begin FY 2004-05 with a full table of organization for police officers. The Police Department will reduce the purchase of new and replacement vehicles by approximately 250 vehicles (\$4.75 million) to stay within the recommended allocation. However, because of budget constraints, no funding is included in the Proposed Budget for trailers at the Kendall and Northside stations.

The allocation of police costs between the Countywide General Fund and the UMSA General Fund has been revised to reflect as a countywide expense the use of officers from the unincorporated area to support countywide activities, such as the Memorial Day event on Miami Beach.

Funding is recommended in the Proposed Budget to phase in the opening of 11 new and expanded park facilities. The Proposed Budget assumes the conveyance of Coral Reef Park, Perrine Park, and Perrine Way-side Park to Palmetto Bay (\$312,000). The allocation of costs between the Countywide General Fund and the UMSA General Fund has been revised to reflect as a countywide expense the cost of parks that the Park and Recreation Department has identified preliminarily as regional in nature. A report will be provided to the Board regarding the definition of a countywide system of regional parks when the department, the Office of

Management and Budget and my office have completed a thorough review of the proper classification of regional and local County parks.

The Quality Neighborhood Improvement Program (QNIP) provides funds for each Commission district to be used for local parks, sidewalk, drainage, resurfacing, and other infrastructure projects. Remaining undistributed funds in the QNIP, totaling \$5 million, are recommended to be used to supplement any current project shortfalls and the balance to provide additional funding to each Commission district. Funding recommendations will be provided before the September budget hearings.

### **Miami-Dade Fire Rescue District**

The operating millage rate for the Fire Rescue District remains at 2.582 mills and the debt service rate at 0.079 mills. The budget includes funds (\$1.9 million) to deploy three response units starting in May, 2004, and to begin a pilot Motorcycle Emergency Rescue Team (MERT) program (\$285,000) along State Road 826 during morning and evening rush hours. The MERT program will be staffed on a voluntary overtime basis. The pilot program will be used to evaluate the ability of rescue teams to use motorcycles to reduce response time to emergencies on expressways and to reduce costs by eliminating the need for regular units to be dispatched to such events. The replacement of the 800 megahertz radio system with a UHF (ultra high frequency) (\$11million) will continue as will the phase-in of engines with advanced life support (ALS) capabilities (\$300,000), repair and renovations of existing stations (\$500,000), and the heavy equipment replacement program (\$1million). Responsibility for heavy equipment maintenance has been transferred on a pilot basis to the Department from General Services Administration. Savings of \$750,000 are anticipated this year, and \$659,000 in savings are anticipated in the budget for FY 2003-04. An analysis at the end of the pilot project will determine the net savings and cost benefit of the transfer to the County as a whole. In addition, representatives of International Association of Firefighters Local 1403 have indicated that they believe there are opportunities to reduce costs and to increase service within the department. I have directed my staff, working with the department, Local 1403, the Office of Management and Budget, and the Office of Performance Improvement to review the suggestions and develop recommendations that can be presented for your consideration before the first budget hearing.

The collective bargaining agreement with Local 1403 expires at the end of this fiscal year. However, negotiations are underway, and I am hopeful that we will quickly reach a mutually satisfactory agreement. Under the terms of the current collective bargaining unit contract with the Firefighters Union, physicals are required every two years.

By doing those physicals in the current year, the Wellness Center was funded on a fee-for-service basis with funding from physicals (\$600,000), workers' compensation treatment (\$200,000), other third-party insurance billings (\$100,000), a subsidy from the department (\$200,000), and a subsidy through the Union's allocation of funds specified in the collective bargaining agreement (\$100,000). Representatives of the Union believe that most, if not all, firefighters will use the Wellness Center for an annual physical and the issue of continued funding is a matter of on-going discussions with representatives of Local 1403.

The Proposed Budget recommends that fees for ALS transports be increased to \$380 from \$310 and for Basic Life Support transports be increased to \$330 from \$310. The increases will raise \$1.4 million and \$200,000 respectively and are intended to maximize insurance reimbursements for transports. Also a 23 percent increase (\$700,000) in inspection fees is recommended in order to bring inspection fee revenue more in line with the cost of the inspection program.

The nationally recognized Anti-Venom Program is recommended to be funded at the same service level as in the current year. As in the case of the Air Rescue Program, funding will be provided from the Countywide General Fund, rather than district funds, in light of the countywide nature of the program.

As discussed previously, it is not recommended that the ocean lifeguard program be transferred to the Fire Rescue Department at this time. Several issues regarding the possible transfer will be reviewed over the next few weeks, and a report will be provided to the Board before the September budget hearings.

### **Miami-Dade Library System**

The millage for the Library System is recommended to remain at 0.486 mills. Of that millage, 0.135 mills provides funds, which are deposited in an account separate from the general operating account and which are dedicated to the Library Expansion Program, supplemental funding for books and materials, the SMART program, extended hours of services at various branches and repairs and renovations to existing facilities. The Library Expansion Program is proceeding with the opening in the current year of an expanded mini-library at Doral, and mini-libraries at Naranja, Tamiami, and Lakes of the Meadow; three other mini-libraries are scheduled to open in West Miller/Sunset, Palmetto Bay and West Grove/Virrick Park in FY 2003-04. In addition, work is in progress to acquire land for three 7,500 square-foot libraries to be constructed in the North East, North West, and Doral area; and a 15,000 square-foot library in the County Walk area of Miami-Dade County; planning and design will continue in the Naranja and Kendale Lakes branch facilities. The Department has recommended a revised construction schedule for the expansion program.

Mini Libraries	Scheduled Opening	Branches (7,500 S/F and 15,000 S/F)	Scheduled Opening
Naranja	2002-03	District 2 (7,500 S/F) NE	2004-05
Tamiami	2002-03	Naranja (15,000 S/F)	2004-05
Lakes of the Meadows	2002-03	Kendale Lakes (15,000 S/F)	2004-05
West Miller/Sunset	2003-04	Pinecrest	2005-06
Palmetto Bay	2003-04	District 2 (7,500 S/F) NW	2005-06
West Grove/Virrick Park	2003-04	Country Walk	2005-06
Palm Springs North	2004-05	International Mall	2006-07
California Club	2004-05	Doral	2007-08
Kendall	2005-06	Hialeah Gardens	2008-09
		Killian	2009-10

### **FEES AND CHARGES**

The Proposed Budget recommends miscellaneous fee increases for the Aviation Department (a recommendation regarding landing fees is normally prepared in August). The Airport daily parking rate is recommended to increase to \$12 from \$10. Parking fees at the Seaport are recommended for a similar increase. Other various Seaport charges are proposed to increase in accordance with long-term contractual agreements.

An eight percent surcharge on zoning fees is recommended for the next three years to provide approximately \$400,000 per year for technology improvements. Planned improvements include the imaging of zoning records to make them more accessible to the public and staff. Fees charged by Building Code Compliance for product testing services are recommended to increase, but will include five years of quality assurance reviews. The departments are working with the industry to clarify the need for these increases and the benefits that will

accrue from them. In accordance with prior Board action, various environmental permit and review fees will increase by 15 percent in October.

In light of the implementation of the Article V revision, the Clerk's Court-related fees and reserve charges revenue reflect an increase for the last quarter of the fiscal year. Those adjustments will generate \$5.2 million in additional revenues and will help the Office of the Clerk provide adequate funding for its court-related fundings.

Miscellaneous Park and Recreation fees are proposed to increase including fees for golf, marinas, Deering Estate admissions (by \$1 per person), the Showmobile, and the Equestrian Center. Admission fees for MetroZoo are not recommended to change. Vizcaya has requested an increase in admission rates of \$2 for non-residents to \$12 and of \$1 for residents, seniors, and groups to \$9.

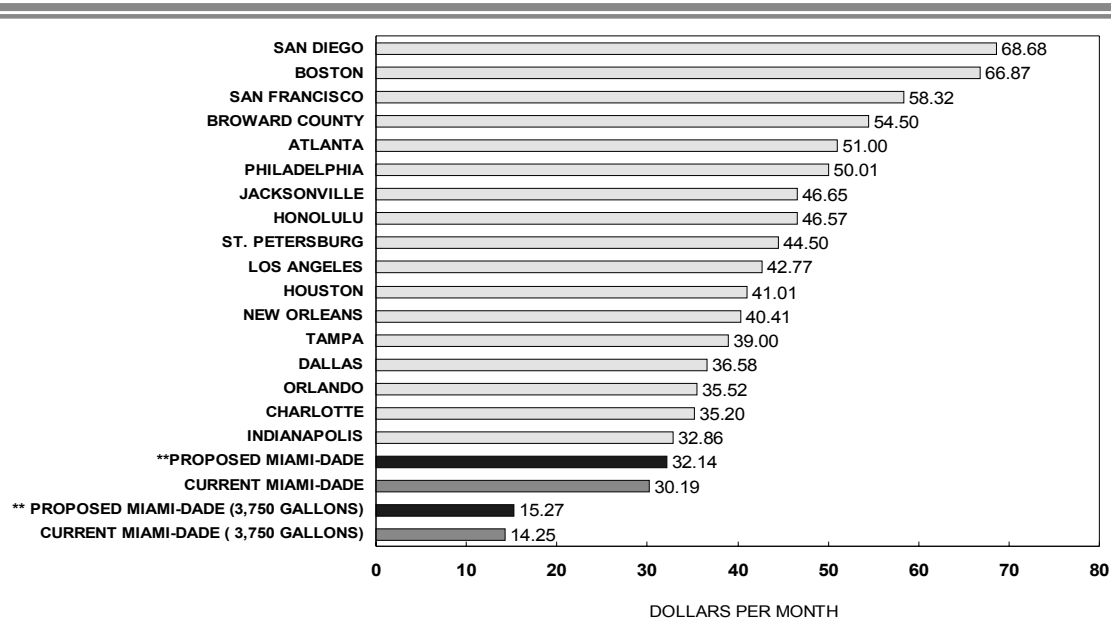
The Animal Control Unit at the Police Department has brought forward a recommendation to increase fees for sterilized dogs by \$5 to \$25 and for unsterilized dogs by \$3 to \$35. A cat registration fee of \$10 is also recommended. These fees will generate \$816,000, which is needed to maintain the current service level including the non-euthanizing of healthy animals and the new facility in south Miami-Dade.

Miami-Dade County has been awarded approximately \$541 million for the dredging of canals and the cleaning of drainage systems by the Federal Emergency Management Agency (FEMA) to prevent and mitigate flooding. The award requires a local match of 25 percent, half of which has been committed from the state. It was originally anticipated that the program would be completed over a six to eight year period, and that Storm Water Utility (SWU) revenues would be available for the County's share of the match. However, the state has informed us that the state match will only be available through FY 2004-05 and that to receive the full state and FEMA funding, the program would have to be completed by then. There are insufficient SWU revenues to provide the match for the accelerated program. Therefore, the Proposed Budget recommends a financing of \$60 million in FY 2003-04 and another \$60 million in FY 2004-05 to provide the necessary match. A 50-cent per month increase in FY 2003-04 and again in FY 2004-05 to the current SWU fee of \$3.00 per residential lot is recommended to fund the debt service payments for the financing.

Pursuant to Board policy, retail water and sewer rates have not increased since October 1, 1996. In fact, in October 1, 2001, the cost for the average user of 7,500 gallons per month was decreased by approximately 10 percent. To maintain the rates, the Water and Sewer Department (WASD) has drawn down reserves to a minimal level. At the same time, new environmental regulations and capital improvements required by the consent decree are increasing costs. To maintain required debt service coverage while providing for the additional costs requires an increase in the household and wholesale rates.

**MONTHLY COMBINED WATER AND SEWER BILL  
FLORIDA MUNICIPALITIES AND MAJOR U.S. CITIES  
FOR THE AVERAGE RESIDENTIAL CUSTOMER\*  
EFFECTIVE OCTOBER 1, 2003**

(Assuming no other utilities increase their rates)



\* AVERAGE RESIDENTIAL CUSTOMER USING 7,500 GALLONS PER MONTH  
\*\* PROPOSED RATE INCREASE INCLUDES AN INCREASE IN WATER METER CHARGE AND SEWER BASE CHARGE

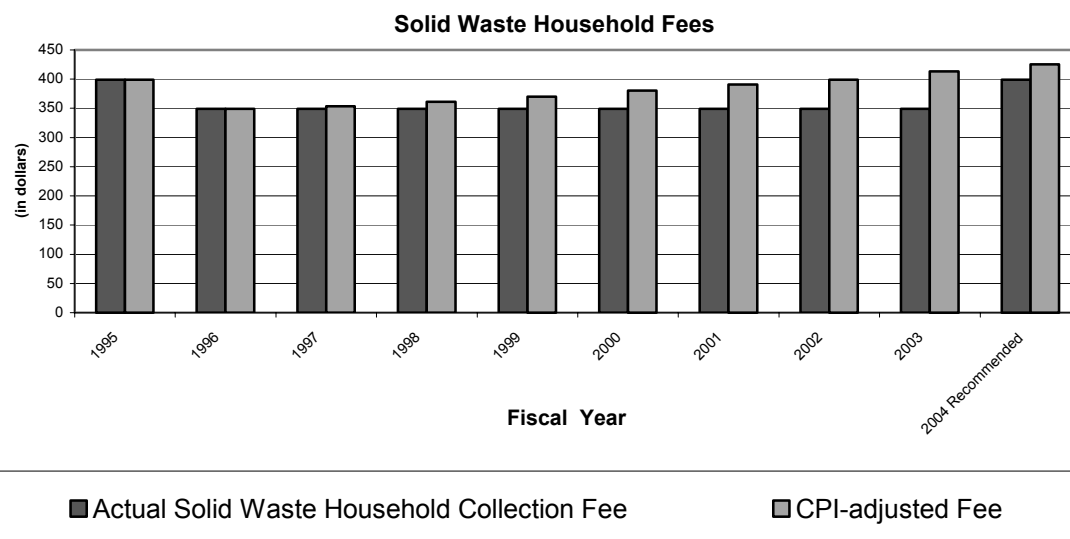
Revised July 3, 2003

After review by outside financial advisors, a six percent increase effective this October and another six percent effective in October, 2004, is recommended. The cost to the average residential water and sewer customer will increase by \$1.95 per month from the current level of \$30.19 to \$32.14 in October 2003. As illustrated in the accompanying chart, the cost of water and sewer service for the average customer will be lower than that in other major cities. In addition, WASD is recommending miscellaneous increases including those for lab testing and returned checks.

During FY 1994-95, the strategic plan for the Solid Waste Management Department (SWM) was developed under the oversight of Committee Chair Commissioner Seijas. Former Assistant County Manager Dennis Carter and I were assigned by the County Manager to serve as a Special Management Team to address some serious operational and financial problems facing the department at that time. Under that strategic plan, the household collection fee was decreased to \$349 per year from \$399 per year in FY 1995-96 and long-term contracts were developed with municipalities to assure that garbage and trash would be disposed in County facilities. The contracts allow for an annual increase in disposal fees consistent with inflation. Those increases have been made, and they are again recommended for FY 2003-04.

The February 2001 official statements for the sale of \$40.4 million in solid waste revenue bonds assumed an increase in the household fee to \$375 from \$349 would occur in the FY 2001-02. Since FY 1994-95, if this fee had increased with inflation, it would be approximately \$425 in FY 2003-04 using the Bureau of Labor Statistics Consumer Price Index for Trash and Garbage Collection (U.S. City Average).





To maintain the household rate at \$349 for the past eight years, SWM has exhausted all available reserves in the Collection Fund. The Solid Waste Disposal Fund has provided the necessary reserves to meet the combined coverage requirement that the Department have cash carryover equivalent to at least two months budgeted operating and maintenance costs.

Efficiencies planned for the current year by the use of automated waste collection equipment were not implemented. Furthermore FY 2002-03 amended landscapers fee intended to eliminate excessive tonnage disposed in the Trash and Recycling Centers (TRC's) by landscapers and arborists both inside and outside the Solid Waste Management Department service area was not implemented following complaints by the industry. As a result, the Department was in jeopardy of defaulting on the bond coverage requirement that net revenues equal at least 120 percent of debt service. Remedial actions in the last quarter of the current year to reduce costs and increase revenues by approximately \$4 million are necessary to avoid default, and I have directed that those actions occur. As part of the remedial actions, it is recommended that a revised landscaper program fee be approved this year, and beginning in September, only permitted landscaper vehicles be allowed to use the TRC's or disposal facilities and be charged per cubic yard of material at the prevailing contract tip fee rate, after an initial start-up period of six months during which the charge will be half the prevailing rate.

As has been discussed with the Government Operations and Environment Committee, a long-term solution is necessary to revise the way collection service is provided and to increase revenues to assure the financial stability of the Department. The Proposed Budget recommends that a Dumpsters Fee for private hauler dumpsters located at condominium complexes, multi-family, and commercial facilities of \$10 per year per dumpster be imposed to assure all residents share in the cost of illegal dumping and storm debris clean-up as well as commercial enforcement. The Proposed Budget also recommends return pick-ups for items too large for regular collections be eliminated, saving an estimated \$400,000 and eliminating one cause of unbudgeted overtime use in waste collection operations. In addition, the household fee is recommended to increase back to the level of \$399 per year, the level this fee was in 1993.

These actions will stabilize the Solid Waste Collection Fund and build in that fund cash reserves of about \$4.3 million, an amount approximately equal to 20 days of operating and maintenance cost, which is less than the

amount required by the bond documents. As a result, the Solid Waste Disposal Fund would have to provide a disproportional amount of cash carryover for the Department to meet the two-month operating and maintenance reserve requirement. I believe that the projected cash carryover and the \$399 rate represent a prudent balance between the financial requirements and the increased burden on the ratepayers. In no case would I recommend a lower household fee unless service levels were reduced.

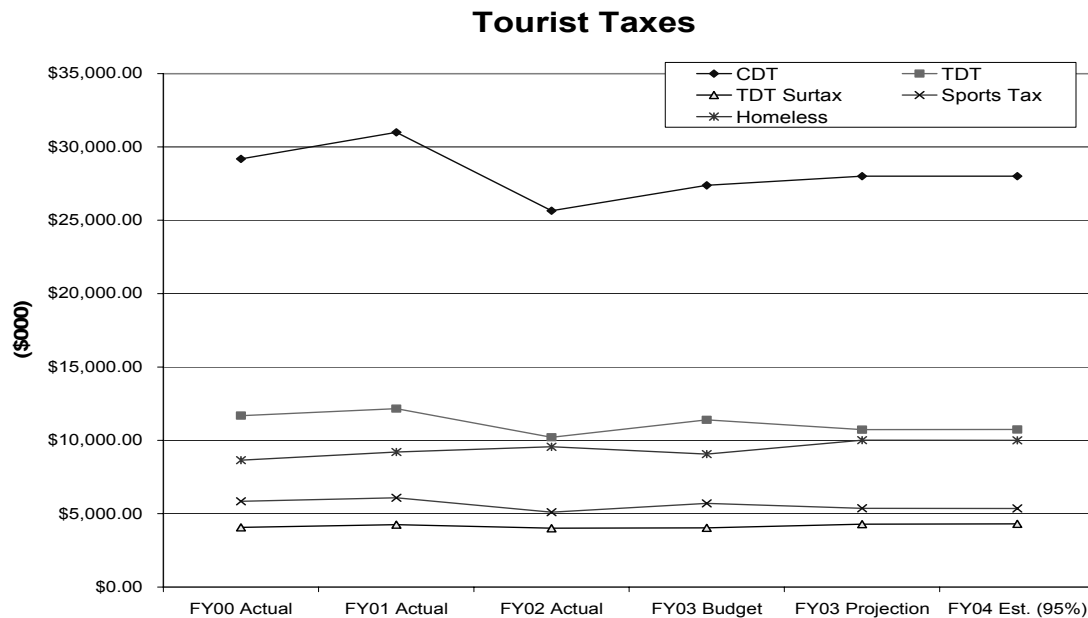
Nevertheless, several options are available if the Board wished to bring the projected cash carryover to \$12 million (two months operating and maintenance costs for waste collection operations). The fee could be increased. For example, a household waste collection fee increase to \$410 would raise the projected cash carryover to \$7.2 million, or the equivalent of 36 days of operating and maintenance costs.

Service options include closing two TRCs and reducing the hours of operation at nine of the remaining ones. That change would raise approximately \$1.9 million. Another option would be to eliminate bulky waste pickups. Of the approximately 300,000 curbside collection customers of the Department, fewer than 50,000 used even one bulky waste pickup per year. The remaining customers subsidized the operating cost of approximately \$6.8 million. Solid Waste Collection customers would have the option of putting small amounts (up to 5 cubic yards) of trash with garbage on the second garbage collection day of the week, or using a nearby TRC, or of paying for a scheduled pickup. Alternatively, the curbside recycling program could be stopped, saving approximately \$6.5 million.

Another recommended charge involves Community Redevelopment Agencies (CRAs). CRAs receive most of their revenues from ad valorem tax increment financing. Municipalities that make tax increment payments usually charge their respective CRAs for direct staffing and also for administrative support. The FY 2003-04 budget recommends that the County establish an administrative reimbursement charge of 1.5 percent on the County's tax increment payments to recover administrative costs in overseeing CRA activities and processing and approving CRA related items. It is estimated that this charge will generate \$200,000 in FY 2003-04.

## **TOURIST TAXES**

As the accompanying chart reflects, the Tourist Development Tax, Sports Franchise Tax, and Convention Development Tax, (CDT) all based on transient lodging, continue to fall short of pre-September 11, 2001 (9/11) levels. The Food and Beverage Tax, used for homeless programs and domestic violence programs, and the food and beverage based Tourist Development Surtax, used for convention development promotions, continue to grow, thereby avoiding operational impacts on those programs.



The County uses the Tourist Development Tax to support cultural programs. Grants based on those revenues will be adjusted to stay within the revenue collected.

The CDT is used to cover debt service and operational commitments to the Miami Arena, the American Airlines Arena, the Miami Beach Convention Center, the Performing Arts Center and other cultural facilities and programs, museums, and parks programs. The events of 9/11 and the economic downturn have decreased CDT receipts below the projected levels upon which those commitments were based. Within current projections, there is sufficient CDT revenue to meet commitments for existing debt and operating payments and to meet future commitments to the Performing Arts Center and other cultural facilities. The ability to meet other commitments will depend on future growth in the revenue stream.

In July, 2001, the County committed CDT revenues to support \$5 million of the construction of a new Miami Children's Museum on Watson Island. The County contracted to make the \$5 million available to the Museum on October 1, 2003. However, there are insufficient CDT funds available at this time to meet the commitment to the Museum. Therefore, it is recommended that payment to the Museum be made from a financing backed by general fund allocations to the Capital Outlay Reserve. When the CDT recovers sufficiently, it should be used to make any remaining debt service payments for the Museum and to reimburse the Capital Outlay Reserve for the payments it makes.

## EFFICIENCIES

The Proposed Budget contains a number of efficiencies that will reduce costs while maintaining service levels. A number of them have been implemented this year, including savings resulting from departmental savings plans intended to increase general fund carryover into FY 2003-04. It is estimated that general fund savings this year total \$9.438 million, which exceeds the savings challenge you included in the current year budget, and that total savings for all funds will be \$14.169 million.

Some of the efficiencies included in the Proposed Budget include a reduction in staff as outlined in my July memorandum updating the restructuring of the County Manager's Office (\$978,000, combining of the CIO and the E-Government Director positions, eliminating the Team Metro Deputy Director and secretary positions, and eliminating three positions from the Office of Performance Improvement), reduced administrative support within the Department of Human Services (\$400,000), the Corrections Department (\$800,000), and Medical Examiner (\$135,000); and continuation of administrative support to the Juvenile Assessment Center by the Police Department (saving \$517,000). Other savings are the result of the availability of services on the Internet. For example, approximately 40,000 parking tickets and 60,000 water and sewer bills were paid on-line last year. A more complete listing of the efficiency savings incorporated into the Proposed Budget can be found in the attachments to this message.

### **COMMUNITY BASED ORGANIZATIONS (CBOs)**

The Proposed Budget continues funding for grants to CBOs awarded on a competitive basis, and increases by \$500,000 (\$2 million on an annual basis) funds available for allocation by the Alliance for Human Services.

No funding is recommended for CBOs that did not go through a competitive process and were funded only in FY 2002-03. For such CBOs that were funded for two or more years, continuation funding (approximately \$3.6 million) is recommended to carry the agencies through June 30, 2004. Those agencies should apply through appropriate competitive programs for funding to continue beyond that date. Funding is included to honor the long-term contract to the Orange Bowl Festival and for continued membership and program involvement with chambers of commerce, including the Greater Miami Chamber, the Miami-Dade Chamber, and CAMACOL. No funding is recommended to continue the contract with Florida International University for the Madrid Center. Also, a \$750,000 reserve, to be allocated by the Board, is recommended to cover the cost of in-kind services provided to activities of community significance by County agencies, including the Police Department and Park and Recreation Department.

### **ARTICLE V**

On November 3, 1998, the people of Florida approved Revision 7 to the Florida Constitution relating to the funding of the State Courts System. As amended by Revision 7, Article V, Section 14 of the Florida Constitution now requires the state to fund all of the costs of the State Court System, Public Defenders, and the State Attorneys, except as specifically provided in the amendment. Revision 7 further requires that all court-related operations of the Clerk of the Court be funded primarily from filing fees and service charges. The state legislature passed implementing legislation that reduces the net savings to the County below the originally anticipated level of \$60 million.

As a result of the implementation of Article V (effective July 1, 2004), and given the overlapping nature of the State and County's budget cycles, the FY 2003-04 Proposed Operating Budget has been adjusted to reflect these new constitutional mandates. Therefore, budget recommendations for the Office of the Clerk, the Administrative Office of the Courts, Public Defender, State Attorney's Office, and other court-related functions such as Legal Aid, Law Library, Public Guardian, Teen Court, etc. have been structured to reflect the appropriated funding requirements, which in some cases are restricted to a nine-month budget cycle.

Funding for the last three months of the FY 2003-04 Proposed Operating Budget (as it applies to these departments and functions) will be provided through state funds or proprietary fees and service charges, as in the case for the Office of the Clerk. If the legislature changes the implementing legislation in a way that

negatively affects the projected savings below the current estimate, we may have to recommend the use of reserve funds during the course of FY 2003-04 to deal with transitional issues that may impact the delivery of court-related services to our community in the last quarter of FY 2003-04.

## **INCORPORATION AND ANNEXATION POLICY**

The policy issues surrounding incorporation and annexation continue to be difficult and challenging. Current policies involving mitigation payments and requiring contracts for services between new municipalities and the County are extremely important but are also complex. They must be consistent from jurisdiction to jurisdiction as we continue to work with areas desiring to incorporate or annex to an existing city. It is also important for the County to be able to offer new and existing cities the opportunity to contract with us on a voluntary basis by offering quality services at reasonable costs. While doing so, it is critical that the residents of the remaining unincorporated areas or of the County as a whole are not penalized by seeing reductions in their service levels or by providing hidden subsidies to those areas.

I know that Commissioner Diaz has been meeting with representatives of the cities and County staff to review current County policy in this area. I look forward to working with the Commissioner to address this issue.

## **GENERAL OBLIGATION BOND (GOB) ISSUE**

We have been directed by the Board to develop a plan for a GOB program that can be presented to the voters in 2004. Using the unmet capital needs and previous work to define a process, staff will prepare a report for consideration by the appropriate committees and the Board in the fall. By holding the debt service millage rate at the current level (as adjusted to provide the Emergency Contingency Reserve, as previously described) of 0.39 mills, it is possible to finance \$1.2 to \$1.6 billion, in present value dollars for capital projects over the next forty years. The actual value that can be realized depends on property tax roll growth. The estimates are based on roll growth of five and 6.5 percent per year, respectively. It is recommended that the issue be brought to the voters in 2004, because as current debt is retired, the debt service millage rate will decrease and consequently the value of the program will also decrease.

Developing and garnering voter approval for a GOB program is critical in light of the unmet capital needs totaling over \$4.8 billion. However, a bond program does not include the funding necessary to operate new facilities. As the Safe Neighborhood Parks Program has shown, new facilities can add to the pressure to fund operating costs with limited resources. Therefore, in developing the GOB program, we must be careful to assess the on-going operating impact of new facilities to assure that the funding will be available when the facilities are ready to come on line.

## **NEXT STEPS**

As mentioned previously, I consider this Proposed Budget to be a work in progress. Over the few weeks between now and the budget hearings in September many issues need to be addressed. I plan to give you a supplemental set of budget recommendations prior to your first public budget hearing. While I plan to have these issues ready for your consideration at the budget hearings, some of the issues may require additional analysis before decisions can be made. In such cases, we will continue to review those issues on an expedited basis to bring them forward for your consideration as quickly as possible. The following areas will be considered before the September budget hearings:

- Organizational reviews including, among others, Miami-Dade Transit and the Office of Public Transportation Management; the Police Department, Corrections and Rehabilitation; the Juvenile Assessment Center; the Elections Department; economic development agencies; Fire Rescue Department; the Employee Relations Department and the Office of Employee Recognition; ocean lifeguard services; CIO, E-Government, and Information Technology; the Office of Management and Budget and the Office of Performance Improvement; customer service programs, such as the answer center; homeland security; and Safe Neighborhood Parks.
- Reviews regarding internal service charge back procedures including those for information technology, general services, and capital projects; alternative service delivery options for internal service functions; and administrative reimbursement levels paid by proprietary agencies.
- Personnel policies and procedures as described previously; review of position growth over the last several years and opportunities for reducing that growth while minimizing any effect on direct services; and the development, as requested by the Mayor in his charge to me, of early retirement options for senior staff and persons in the Deferred Retirement Option Program (DROP).
- Cost reduction and alternative service delivery options, especially for programs with significant cost increases included in the Proposed Budget, such as information technology area and the school crossing guard program.

The goal of all of these reviews will be to provide the same level or better service while reducing costs and to assure that budgetary decisions are based on sound business practices and are in line with the County's strategic plan and departmental business plans.

## **CONCLUSION AND BUDGET TIMETABLE**

This year, the Proposed Budget includes the latest property tax roll figures issued by the Property Appraiser on July 1. As a result, no budget update will be required before the Board can consider the proposed millage rates on July 22. However, in accordance with the recently passed Charter amendments, the Mayor will be presenting a response to the Proposed Budget for your consideration before you set the proposed millages.

I remind you that, pursuant to state law, the proposed millage rates that are adopted in July and used to prepare the Notice of Proposed Property Taxes that will be mailed to each property owner in August, are, for all practical purposes, maximum millage rates that cannot be increased, but only decreased at the public budget hearings in September. Therefore, I urge you to adopt the rates as presented in July to maximize your flexibility at the budget hearings. Those hearings are scheduled for September 3 and September 17 at 5:01 p.m. in the County Commission Chambers.

It is my intention to provide a budget workshop package for consideration by the Commission Committees at their meetings of July 15 through July 17. At that time, staff will also be able to address issues regarding the mid-year supplemental budget and budget amendments that will be considered by the Board on July 22. In addition, Commissioner Morales has requested that the Budget and Finance Committee hold a series of workshops throughout the community in August to discuss the budget. Through those workshops, staff would have the opportunity to describe the Proposed Budget to the community as required by Ordinance resolution R-1018-94. We would also update Community Council members regarding the budget priorities they have defined for FY 2003-04.

Even though I was not here for much of the budget development process, I know it is a team effort. Every year, the preparation of the Proposed Budget seems to become more difficult. Between the current economic

situation and demands for services, and with the change in county managers, and the resulting change in the budget philosophy and decisions, this year was even more challenging. I thank you, Mayor Penelas, Commission Chair Carey-Shuler, and members of the Board, again for your cooperation and support. I look forward to working with each of you to assure your priorities are identified, and, to the extent possible, included in the budget.

I want to thank my staff, the department directors, and their staffs without whose cooperation this budget could not have been completed. I am especially sensitive to the directors concerns regarding the decisions necessary to balance the budget. I am hopeful that, as we continue to review the budget over the summer, their concerns can be addressed. I also want to thank the staff of the Communications Department and the E-Government Department who worked on preparing and presenting the Proposed Budget.

I especially want to thank the staff of the Office of Management and Budget for their time, effort, and professionalism without which this budget could not have been prepared. Having been there, I know the hard work and personal sacrifice that is needed to develop a budget. All of us and the citizens of the County are fortunate in having such dedicated public servants who are willing to work long hours, seven days a week to prepare this document. One of the pleasures in returning to the County is being able to work with them again.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Burgess", with a stylized, flowing script.

George M. Burgess  
County Manager

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**INTRODUCTION**

As another step in our move towards a strategic management model for the County, the following highlights are organized in accordance with eight strategic planning areas:

- Policy Formulation
- Public Safety
- Transportation
- Recreation and Culture
- Neighborhood and Unincorporated Area Municipal Services
- Health and Human Services
- Economic Development
- Enabling Strategies (“Budget and Finance” and “Government Operations”)

**POLICY FORMULATION**

- ❖ The Office of Agenda Coordination will purchase a scan station to e-mail copies of drafted agendas directly to the County Manager and County Attorney’s offices; this new equipment will allow for the faster approval of agendas and reduce the amount of time it takes to generate agendas
- ❖ The project to make agendas and associated items available in the Internet and Intranet is moving ahead of schedule, projected savings as a result of the implementation of this project is \$46,000 in FY 2002-03 and \$100,000 for FY 2003-04
- ❖ The Office of Management and Budget (OMB) implemented a web-based program for capital budget submittal and automation of various budget worksheets was implemented to reduce required budget preparation time
- ❖ The Office of Performance Improvement (OPI), with OMB, will continue to implement a countywide performance management process which focuses on creating and aligning planning, monitoring and reporting tools including streamlined departmental quarterly performance reporting and automation of reporting; OPI will continue its work related to results-oriented government and accountability by supporting Efficiency and Competition Commission initiatives, implementation of audit recommendations and priorities identified during budget development across the organization

**PUBLIC SAFETY**

- ❖ Attrition for the Corrections and Rehabilitation Department is budgeted at 7.25 percent for FY 2003-04 (\$9.8 million), which equates to 166 positions; overtime is budgeted at \$2.671 million; in order to stay within these allocations and minimize overtime expenditures, the department will identify non-operational programs for reduction in FY 2003-04 as vacancies occur



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- ❖ The Miami-Dade Fire and Rescue Department (MDFR) will deploy three new units for rescue and suppression services in the Fire District; all units will be phased-in and exact locations will be provided in a report before the September budget hearings; additional positions will be approved when the units are placed into service
- ❖ Upgrades of MDFR suppression units to make all response vehicles capable of Advanced Life Support will continue; four vehicles will be equipped in FY 2003-04 (\$300,000); 22 units will remain to be converted after FY 2003-04
- ❖ The Motorcycle Emergency Response Team (MERT) training program was implemented; 16 firefighters will be trained in the safe operation of motorcycle units by the end of the current fiscal year; a pilot program to reduce response time and provide assessments and emergency medical treatment at motor vehicle accidents on major highways during peak traffic hours will be implemented on State Road 826 from SW 40th Street to NW 167th Street; individual assignment will be on a volunteer overtime schedule not to exceed ten hours per day per employee; the estimated cost of the pilot program is \$285,000
- ❖ The Proposed Budget for the MDFR maintains the enhanced funding for facilities maintenance (\$500,000) and includes an additional \$1 million above the FY 2002-03 budgeted level to pay debt service associated with the heavy fleet replacement program; one additional construction management position approved in the current fiscal year will continue in FY 2003-04
- ❖ A review of the administrative and uniformed special assignments at MDFR will continue; implementation is ongoing for efficiencies identified to date, and FY 2003-04 expected savings have been reallocated to direct service and will provide funding for thermal imaging cameras (\$500,000)
- ❖ A new aircraft to replace the oldest Bell 412 Air Rescue helicopter (17 years old) is being purchased (\$7.6 million), and the debt service will be shared by the Public Health Trust and the general fund (\$226,000 per year); proceeds from the sale of the old helicopter (\$2.5 million) will be used to upgrade the avionics and communications equipment in the other two Bell aircraft (\$2 million) and provide the County share of debt service for two years; the enhanced avionics will include night vision capability to substantially improve the mission capability of the Air Rescue service
- ❖ The modified Basic Life Support (BLS) service program will be discontinued; if response times for BLS transports increase significantly this program may be reinstated; the contingency fund is increased by \$250,000 should these units need to be redeployed
- ❖ Two additional fire plans processors were hired in FY 2002-03 due to changes in the Florida Building Code requiring inspection of Miami-Dade County Public Schools construction and to expedite the plan review process
- ❖ Construction of a replacement fire station in Hialeah Gardens (\$1 million) commenced in May, 2003, and is scheduled for completion by December, 2003; contract award for relocation of the West Miami station will occur in July, 2003, and the station is scheduled for completion by June, 2004 (\$500,000); contract negotiations for the Uleta station relocation project are on-going and construction will be completed by December, 2004 (\$1.6 million)
- ❖ Construction of the new Tamiami station (\$2.304 million) (formerly known as International Gardens) on land purchased from the Park and Recreation Department is scheduled to begin in October, 2003, and completed in April, 2005; delays have occurred in obtaining governmental approvals for the proposed site (\$2.304 million)

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- ❖ Planning and design of the East Kendall Fire Rescue Station and Support Complex project has been completed and the project was advertised for bids in June, 2003; construction is expected to be completed in September, 2005 (\$5.69 million)
- ❖ Expansion of the Pinecrest Station to include a single apparatus bay and remodeled interiors is in the design phase and the project will be completed in June, 2004 (\$250,000); the existing structure and land was purchased by the Fire Rescue District in FY 2002-03 at a cost of \$500,000
- ❖ Acquisition of a Computer Aided Dispatch system is underway; the total project cost for MDFR is \$3.4 million; \$2.5 million is expected to be expended in FY 2003-04 and system implementation will occur in June, 2004
- ❖ The Miami-Dade Police Department will increase the number of sergeants-at-arms provided to the Board of County Commissioners (BCC) from two to four but no increase in reimbursement is anticipated (\$450,000)
- ❖ Uniformed police officers will no longer provide daily security to the Stephen P. Clark Center and will be redeployed to patrol services

**TRANSPORTATION**

- ❖ On May 28, 2003, the Miami-Dade Aviation Department (MDAD) initiated a \$600 million bond issue to refund Aviation Development Fund bonds and generate approximately \$281 million to be used for the Capital Improvement Program
- ❖ Completed construction projects for MDAD's Capital Improvement Program total \$1.2 billion since inception of the project in FY 1994-95
- ❖ The Consumer Services Department's Cooperative Extension Division will replace four agricultural weather stations (\$55,000) that will provide real-time weather data to warn agriculture producers of cold weather for freeze protection in FY 2003-04; funding will be provided from the Capital Outlay Reserve (COR) fund
- ❖ Major joint development projects being implemented by the Office of Public Transportation Management (OPTM) include a five-story office building housing County agencies with 13,500 square feet of ground floor rental space at the Dr. Martin Luther King, Jr. Plaza which is expected to be completed in the fourth quarter of FY 2002-03; and a 17-story office building at the Overtown metrorail station with construction anticipated to begin in the fourth quarter of FY 2002-03
- ❖ Since November 10, 2002, Miami-Dade Transit (MDT) has instituted 70 service improvements to 50 routes as part of the People's Transportation Plan (PTP), including more frequent service in peak and off-peak periods, route extensions, and other schedule adjustments to improve on-time performance
- ❖ New bus services include the Coral Way Max, the Hialeah Gardens Connector, and the Sweetwater Connector; the Little Haiti Connector, the Little Havana Circulator, and the Coconut Grove Circulator which were initiated in November and December, 2002
- ❖ The Palmetto Metrorail Station (\$87.7 million), which is expected to help relieve heavy traffic congestion on the Palmetto Expressway and State Road 836 with estimated weekday boardings of 2,000, opened on May 30, 2003
- ❖ Metrorail began operating 24 hours daily, as promised in the PTP, on June 8, 2003

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**RECREATION AND CULTURE**

- ❖ In FY 2002-03, the Cultural Affairs Department is inaugurating the pilot version of “High 5 Miami,” a new program funded in part by the John S. and James L. Knight Foundation, designed to make high quality arts and cultural activities more affordable and accessible to young audiences; Ticketmaster has joined as a partner, and is contributing on-line ticketing services; the complete program will be implemented in the fall of FY 2003-04
- ❖ The Proposed Budget for the Library Department includes funding for four additional full-time positions to support the new Miami Beach Regional Library scheduled to open in early 2004, and six full-time positions, and four part-time positions to support new facilities
- ❖ The following repairs, renovations, and improvements will be completed during FY 2003-04: landscaping at Allapattah, Lemon City, Shenandoah, West Flagler, and North Central branches (\$30,000); parking lot resurfacing and fountain repairs at Coral Gables (\$110,000); parking lot resurfacing at Coral Reef and West Dade Regional (\$150,000); interior renovations at Culmer/Overtown, North Shore, West Flagler, and Edison (\$176,000); heating, ventilation, and air-conditioning (HVAC) replacements at West Kendall Regional, Shenandoah, and Key Biscayne branches (\$875,000); roof replacements and parking lot expansion at the Kendall branch (\$220,000); furniture, fixtures, and equipment for Culmer/Overtown, Edison, and West Flagler branches (\$90,000); exterior and interior painting at Culmer/Overtown, Edison, Lemon City, North Central, and West Flagler branches (\$63,000); asbestos abatement at Culmer/Overtown branch (\$20,000); fire code-mandated work at the North Dade Regional branch (\$75,000); other repairs and renovations at various branches (\$316,000)
- ❖ The Library Department will open three additional mini-libraries in FY 2003-04: West Miller/Sunset (December, 2004, \$586,000); Palmetto Bay (April, 2004, \$627,000); and West Grove-Virrick Park (September, 2004, \$627,000)
- ❖ The Park and Recreation Department will make the following expenditure reductions and adjustments to services in FY 2003-04 (\$3.631 million): including transfer Coral Reef Park and Tennis Center, Perrine, and Perrine wayside parks to the Village of Palmetto Bay (\$311,900, three positions); reducing new fleet purchases by (\$200,000); reduce marketing (\$100,000 for Park operations and \$159,300 for Metrozoo); reduce park operations facility maintenance (\$200,000) and development work order reserve (\$100,000); additionally, the department will increase attrition from eight to ten percent (\$2.344 million)
- ❖ The functions of the Park and Recreation Department’s safety office will be absorbed by other staff resulting in a reduction of two positions (\$92,500)
- ❖ Additional positions for FY 2003-04 include the following: one position is recommended to coordinate the department’s fundraising efforts which are projected to reduce the need for a general fund subsidy (cost of \$72,000 is offset by contributions); one position to enhance facility repairs at each of the marinas, four marina attendants to enhance quality of service at four marinas currently not meeting the Memorandum of Understanding (MOU) staff requirements, and one guard at Hoover Marina to improve security (funding is provided through the marina MOU \$237,000); one Zoo Curator of Mammals (\$56,000 funding from increased revenues); two positions to manage work load increase at the Landscape Agency (\$80,262 funding from increased revenues); one position to support the Crandon golf Course and management of the new clubhouse, (\$57,000 funding from increased revenues); one position to implement the Mayor’s Health and Fitness Program (\$85,000); 16 part-time staff members currently working full-time hours to be converted to full-time status; and

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one long-time temporary employee to permanent full-time status (funded from Safe Neighborhood Parks (SNP) and existing Park funds \$32,000)

- ❖ It is anticipated that the combination of an increase in yearly rounds and winter/summer golf rates will generate \$500,000; other fee increases include: boat ramp fees from \$8 to \$10 and annual permits from \$100 to \$120 (\$150,000); fees for wet slips and transient dockage at the marinas (\$200,000); Deering Estate gate admission to \$7.00 from \$6.00 for adults and \$5.00 from \$4.00 for children (\$10,000); showmobile and sound system rental rates (\$10,000); Mountain Bike program at Amelia Earhart Park (\$70 per week); rental rates for the second story at the Cabanas at Crandon Park; and the Equestrian Center at Tropical Park
- ❖ Funding is included to operate, program, and maintain 11 new and expanded parks/facilities (\$998,000, 16 positions): Amelia Earhart Park Sports Complex (phase I) and 5-mile mountain bike trail (\$104,000 and \$47,000 respectively, four positions); Bird Lakes Park Field Center (\$55,000, one position); Soar Park building improvements and program expansion (\$82,000, three positions); Crandon Park Bear Cut Preserve and boardwalk (\$55,000, two positions); Boystown (Camp Matecumbe) land and facilities acquisition (\$311,000, one position); Brothers to the Rescue Memorial Park parking lot lighting (\$2,000); Eureka Villas Field Center (\$56,000, one position); Westwind Lakes Park new recreation center (\$172,000, one position); Cinco de Mayo Park, leasing and program activities (\$56,000, one position); Cutler Ridge Park new recreation building and program expansion (\$39,000, one position); and Crandon Golf Course new clubhouse (\$19,000, one position)
- ❖ The following areawide capital projects will be completed during FY 2003-04: music hall addition at African Heritage Cultural Arts Center with Performing Arts Center music hall addition funded with a State of Florida grant, Performance Arts Center grant and SNP (\$2.35 million); improvements to the south addition at Deering Estate from SNP and COR (\$60,000); Crandon Golf Course Clubhouse with proceeds from FY 2001-02 Capital Asset Acquisition Bonds (\$3.4 million); dune corridors, landscaping, and marina renovations at Haulover Park and Marina with funds from SNP and COR (\$2 million); utilities and electrical upgrades at Camp Owaissa Bauer with SNP funds (\$500,000); renovation to the boxing center and construction of a field center at Tropical Park with funds from COR (\$250,000)
- ❖ The following capital projects will be completed in the unincorporated area during FY 2003-04: running track at Carol City Community Center with Quality Neighborhoods Improvement Program (QNIP), Impact Fees, and Capital Outlay Reserve (COR) funds (\$750,000); field center at Bird Lakes Park with QNIP funds (\$625,000); field center at Brentwood Park with Impact Fee funds (\$500,000); small recreation center at Carol Park with funds from SNP and QNIP (\$660,000); basketball court and restroom building renovations at Country Lake Park with SNP funds and Impact Fees (\$500,000); recreation center at Country Village Park with QNIP and COR funds (\$850,000); field center at Doral Meadow Park with QNIP funds (\$1.1 million); field center at Eureka Park with QNIP and COR funds (\$550,000); field center at Eureka Villas Park with Impact Fees (\$750,000); recreation center at Little River Park with QNIP funds (\$650,000); drainage and park improvements at Norman and Jean Reach Park with SNP and COR funds (\$300,000); restroom building at Sandpiper Park with QNIP funds (\$300,000); recreation center at Scott Park with SNP and COR funds (\$500,000); recreation center at Soar Park with SNP and QNIP funds (\$518,000); and recreation center and soccer fields at Westwind Lakes Park with SNP and Impact Fee (\$2 million)

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**NEIGHBORHOOD AND UNINCORPORATED AREA MUNICIPAL SERVICES**

- ❖ The Building Department will eliminate four positions in the Office of Permit Management which provided optional expedited plans review service (\$277,000) and five positions at the South Dade Government Office (\$222,000) in FY 2003-04; the department projects no service impacts
- ❖ To cover the full cost equitably, the Building Department transaction fee charged to other County departments for cashiering and collection services will be increased to \$3.15 per transaction from \$2.10 in FY 2003-04; affected departments include Public Works, Fire and Rescue Department, and the Department of Environmental Resource Management (DERM), Water and Sewer, Planning and Zoning (DP&Z), and the State of Florida Department of Business and Professional Regulation and Community Affairs
- ❖ The elevator inspection section of the Building Department was eliminated as a result of the State of Florida canceling the inspection contract with the department in FY 2002-03 (\$748,000, seven positions)
- ❖ The Building Department will upgrade microfiche storage to prevent the deterioration of records required by state law in FY 2002-03 (\$80,000)
- ❖ The Building Code Compliance Office (BCCO) proposes to reduce photographic services expenses by purchasing digital cameras (\$3,000) and reduce storage expenses by eliminating hardcopies of insurance and workers compensation information by storing records electronically on the contractor database (\$3,000)
- ❖ The FY 2003-04 Proposed Budget funds several technological initiatives for BCCO including enhancing or developing departmental databases for product approval, contractor licensing, code compliance, and unsafe structures (\$270,000)
- ❖ The BCCO Internet site will be enhanced by allowing contractors to perform inquiries on-line for contractor/trades, contractor violation tracking, and product approvals; the on-line contractor renewals and product approval system will also be improved to provide for the new quality assurance program data and provide an in-house invoicing system (\$425,000); the department will increase the number of laptops for code compliance inspectors in the field (five laptops, \$15,000)
- ❖ The department is developing a Quality Assurance Program in response to a state mandate on product control, which will provide yearly inspections of construction products at sites and manufacturing facilities; a senior quality assurance manager will be hired in FY 2002-03 (\$102,000)
- ❖ The BCCO Proposed Budget includes fee increases totaling \$5,800 for the new quality assurance requirements and related renewals for construction products requiring inspection and certification; the fee increase for the new Notification of Acceptance (NOA) application includes the initial technical review and five years of quality assurance (\$500); related renewals include fee increases for revisions to older NOA (\$500), Laboratory Certification for new products (\$500), revisions to products (\$1,100) or products requiring renewals (\$1,100); and a \$1,500 fee increase for quality assurance renewals for older products that received inspection prior to the new quality assurance requirements (\$854,000)
- ❖ The Proposed Budget for BCCO includes funding for six new positions to provide additional support for the expedited product reviews, contractor licensing, the newly created quality assurance program, publish trade industry newsletters, assist with media requests and promotional spots and provide and track invoices to meet the department's goal of a 21-day turn around time for invoice payments (\$286,000)

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- ❖ Initiatives to be pursued as a result of the Department of Environmental Resources Management's (DERM) strategic planning process include continued implementation of IT projects; improving the efficiency and effectiveness of hiring and staff retention; increasing the efficiency of facility inspections up to ten percent by deploying field staff with remote access to departmental data bases; demonstrating sustainability by increasing departmental recycling, testing the effectiveness of highly efficient hybrid vehicles, and undertaking a telecommuter pilot project; and completing reformatting of the Environmental Protection Code to make it more user friendly and accurate
- ❖ DERM continued enhanced flood protection planning and identification of various local drainage improvement sites in flood-prone areas and mitigation of identified flooding problems; as a result of this program, Miami-Dade County achieved a level six rating in FY 2002-03 in the National Flood Insurance Program Community Rating System (CRS); this saves the average property owner in the unincorporated area \$70 annually, total savings are estimated to be over \$9 million annually for all residents in the unincorporated municipal service area (UMSA); effective October 1, 2003, the CRS level will improve to five, placing Miami-Dade County in the top two percent of the most successful CRS communities in the nation; only one other large county in the entire country has achieved a level five; this will result in a total savings of \$87.00 per year on flood insurance policies for residents in flood zones, and \$35 for residents who purchase flood insurance and are outside of flood zones
- ❖ A fee increase for DERM is recommended to the Stormwater Utility Fee of 50 cents (each) in the unincorporated municipal service area in both FY 2003-04 and FY 2004-05 in order to provide debt service for two \$60 million bond issues each year towards financing the required local match to the state and the Federal Emergency Management Agency (FEMA) grant to continue dredging the secondary canal system, drainage system cleaning, road restoration, and design and construct critical drainage replacement to reduce flooding in areas where flooding has previously occurred; acceleration of the project schedule was required to complete the projects by the end of FY 2004-05 to ensure access to the state matching funds
- ❖ In the Department of Planning and Zoning, a zoning fee surcharge of eight percent will be implemented for three years beginning in FY 2003-04; \$1.258 million in new funds and \$700,000 of carryover will fund five initiatives that will provide for service enhancements through new technology: the imaging of zoning hearing records will be completed in FY 2003-04 (\$1 million); the GIS zoning resolution will be completed in FY 2004-05 (\$500,000); one position to adequately staff the Zoning Information Center will be added (\$55,000); an inspector tracking system to provide on-line routing information will be completed by FY 2004-05 (\$53,000); also included is a web enabling payment application to be completed by FY 2005-06 (\$350,000)
- ❖ In the Public Works Department, technology improvements include, but are not limited to: customer renewal of Causeway Transponders via the Internet, developing handheld computers for Public Works field crews, testing contract bidding on the web, allowing access to recorded plats on the Internet, re-write of the Traffic Concurrency Geographical Information System layer, the Traffic Signals and Signs fiber optic upgrade, and electronic document management systems for right-of-way documents, special taxing districts
- ❖ One part-time position and two temporary positions in the Construction Division were converted to full-time positions to address the growing workload of the division (\$98,000); one administrative position (\$47,000) and one construction manager (\$91,000) will be added in FY 2003-04 to track construction projects

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- ❖ The County Incentive Grant Program (CIGP) is funded by the Florida Department of Transportation (FDOT) (\$3.57 million) for portions of the following road improvement projects: NW 87th Avenue Bridge and Approaches (\$1.155 million), SW 117th Avenue widening (SW 184th Street to SW 152nd Street) (\$1.155 million), and SW 24th Street Widening (\$1.26 million)
- ❖ The Land Development Division raised platting fees in FY 2002-03 and added one Architect to assist in coordinating the County's platting process with the County's zoning process (\$58,000), one cadastral technician to maintain and update the GIS layer for plats (\$42,000), a senior professional land surveyor to supervise and coordinate different phases of platting (\$68,000), and one clerk to support staff with the increased workload (\$29,000)
- ❖ At the request of the Seaport, the Right-of-Way Division added a supervisor to the Seaport Survey Crew; the crew will be reimbursed by the Seaport (\$260,000)
- ❖ Two new horizontal survey crews and one vertical survey crew will be added to the Right-of-Way Division in FY 2003-04 and will be funded by reimbursements from Water and Sewer, DERM, and Public Works self-supporting funds (13 positions, \$727,000); these crews will maintain 2,000 benchmarks (Vertical elevations), 160 Public Works GPS Control Points (Horizontal), 170 National Geodetic Survey Points (Horizontal), and 130 WASA Control Points (Horizontal) and will set, recover, and reference 1,200 Section corners throughout the County
- ❖ The Road and Bridge Division of the Public Works Department began a pilot project with OPI in which staff will work four ten-hour days instead of five eight-hour days; it is hoped that this will improve service and increase staff retention without increasing costs
- ❖ FDOT will complete reconstruction of the Second Avenue Bridge over the Miami River in the summer of 2003 (\$47 million from FDOT for construction and \$3.5 million from RIF for design services)
- ❖ An engineer and an engineer drafter will be added in FY 2003-04 to Special Taxing Districts Administration to keep pace with the increasing workload (\$137,000)
- ❖ Public Works will install a traffic signal at NW 28th Street and 14th Avenue (\$120,000) utilizing Road Impact Fee funds by September, 2003; installed a traffic signal at East 4th Avenue and 3rd Street (\$120,000) utilizing Road Impact Fees fund in February, 2003
- ❖ Public Works is planning a project that will replace most incandescent bulbs in the traffic signal heads with Light Emitting Diodes (LED) modules instead of which use only about 10 watts of electricity compared to 135 watts for traditional incandescent bulbs
- ❖ Public Works is planning a demonstration project pending FDOT approval to replace standard reflective street name signs at a select group of signalized intersections with internally illuminated street name signs to increase their visibility in low-light conditions
- ❖ Installation of the following traffic signals will be completed before the end of the current fiscal year: NW 52 Street and NW 107 Avenue (\$120,000) and in Allapattah at NW 28 Street and 14 Avenue (\$120,000) in FY 2003-04; due to contracting delays, a traffic signal at NW 52 Street and NW 97 Avenue will be completed in FY 2003-04 instead of FY 2002-03 as anticipated (\$120,000)
- ❖ Many QNIP Phase I through Phase III projects will be completed by the end of the current fiscal year: sidewalks (\$3.633 million), resurfacing (\$4.533 million) and local drainage (\$1.558 million); the department

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expects to complete many more QNIP projects in FY 2003-04 including: sidewalks (\$4.094 million), resurfacing (\$4.439 million), and local drainage (\$3.148 million)

- ❖ The Water and Sewer Department (WASD) Proposed Budget includes funding for 49 new employees, including 37 customer service positions for additional customer service support; six engineering positions to address regulatory issues and support increased construction projects and infrastructure improvements; four administrative support positions for damage investigations, safety compliance, and employee training; and two positions for the operation of water treatment plants and laboratory
- ❖ WASD is continuing to implement recommendations from the department's efficiency program in conjunction with organized labor, and reviewing current operating costs and business practices to achieve operational savings; the department anticipates savings of \$4.1 million in FY 2002-03 from new initiatives; WASD, OPI, and the collective bargaining units anticipate by year-end to finalize an MOU that will assist in developing performance targets and rewarding employees through gain sharing
- ❖ WASD implemented several enhancements to the automated customer information system in FY 2002-03
- ❖ The Solid Waste Management Department reduced litter hotspot crews from ten crews to five crews June 1, 2003, as part of the current year savings plan to align litter service with the budgeted level of funding; the twice weekly pick up of 296 bus stops and 225 weekly corridor miles cleaned will not be impacted by the savings plan adjustment
- ❖ Team Metro clerical positions were re-assigned to information referral specialists to enhance outreach capabilities (\$32,800); the department will eliminate the Deputy Director and secretarial position (\$223,000)
- ❖ As a result of an office closing and departmental efficiencies, 33 positions will be eliminated in code enforcement, and outreach activities in FY 2003-04; the Proposed Budget includes continued funding for five overage positions approved in FY 2002-03
- ❖ Team Metro will phase out the North Central Regional Office (\$750,000) due to incorporations reducing unincorporated areas served by Team Metro; service levels will be maintained in remaining offices; the department will pursue providing code enforcement services to the newly incorporated City of Miami Gardens
- ❖ The Proposed Budget includes enhancement to the Answer Center that will enable Team Metro to advance its operation as a single point of contact for all county services; the program will be phased-in during FY 2003-04 (\$850,000); funding is provided in the Capital Outlay Reserve (\$9.4 million)
- ❖ Citizens were provided with training in the Citizens Academy Program; the program was expanded by providing tours of county facilities such as the Office of Emergency Management and the Information Technology Department; additional training tracks were provided with specific focus areas such as: housing, social services, finance, transportation, code enforcement, as well as continuing to provide classes in English, Spanish, and Haitian/Creole



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**HEALTH AND HUMAN SERVICES**

- ❖ Administrative efficiencies in the Proposed Budget of the Community Action Agency (CAA) include a higher attrition rate, lower grant match requirements, and adjustments to various line items throughout the agency (\$189,000); these savings have been reallocated within the department to maintain current service levels; the Citizen Participation program will be reduced by one social worker position (\$32,000); support for advisory boards will be absorbed by existing staff
- ❖ The CAA senior employment services program has been notified by the National Council of Older Americans (NCOA) that the allocation for senior employment services in south Miami-Dade has been redirected from NCOA to the American Association of Retired People (AARP); the AARP will provide the services instead of contracting with CAA, saving the required grant match; no direct service impact is anticipated (\$415,000, four positions)
- ❖ The CAA fatherhood project, which received Ounce of Prevention funding from the Florida Commission on Responsible Fatherhood to assist non-custodial fathers in south Miami-Dade improve their earnings by providing job training and improving parenting skills, is not funded in FY 2003-04; the department will use increased Community Service Block Grant funds to continue the program
- ❖ The Homeless Trust Proposed Budget increases transitional and advanced care housing beds by 86 and 62, respectively, which reduces the unmet need
- ❖ The Miami-Dade Housing Agency (MDHA) implemented a voice response system in the Private Rental Housing Division and expanded the availability of housing information on the Internet to improve customer service
- ❖ MDHA developed service level agreements for internal support divisions (Finance and Administration, Public Housing, and Planning and Development) to improve internal customer satisfaction with measurable performance standards
- ❖ In an effort to keep spending in line with available revenues, MDHA proposes to streamline several areas of operation and administration, including moving quality assurance inspectors to the operating divisions, which will reduce administrative costs; modifying the process for paying landlords to speed up the payment process; implementing team-based management for Section 8; and reducing non-emergency maintenance cycle time in public housing; the net result of these changes will be a reduction of 78 full-time and 83 part-time positions; it is hoped that these reductions can be accommodated through increased attrition
- ❖ Department of Human Services (DHS) efficiencies contained in the recommended FY 2003-04 Proposed Budget without affecting services include higher attrition (\$484,000), reallocation of unused CBO project carryover from grants prior to the establishment of the Alliance for Human Services process (\$1.333 million), contracted security reductions (\$500,000), reduced management oversight in the Elderly Services Division (\$200,000, two positions) and reduced administrative support in the Director's office (\$200,000, two positions)
- ❖ The DHS new 40-bed domestic violence center in northwest Miami-Dade will open in October, 2003; operating funds are provided by the portion of the Food and Beverage Tax dedicated to Domestic Violence services (\$1.83 million); this facility will be operated by an agency selected through a competitive process; funding for the operation is not reflected in the department budget; one contract monitor will be funded from the domestic violence trust fund; the Dial-A-Life program, which supplies emergency cell phones to victims of domestic violence, will be transferred from the Communications to DHS (\$90,000)

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- ❖ The DHS Proposed Budget eliminates the New Beginnings program, which provides outpatient treatment services to individuals charged with prostitution and related offenses, due to low program utilization; the department is investigating the possibility of alternative grant funding to provide services to the target population (\$372,000, six positions)
- ❖ DHS contracted security will be reduced at the Neighborhood Service Centers (NSC) during non-operating hours (6:00 p.m. until 7:00 a.m.) (\$500,000)
- ❖ The Miami-Beach NSC, co-located with the CAA center, will temporarily close during the renovation to the CAA facility; it is anticipated that the operation will be re-instituted upon the completion of the renovations (\$115,000, two positions)
- ❖ It is anticipated that the Children's Services Council ordinance will be sunsetted due to the voters approval of the dedicated funding for the Children's Trust and County board administrative support will no longer be needed (\$179,000, two positions)
- ❖ DHS Programs affected by reductions in state and federal funds that will not be absorbed by the County include the Passageways to Independence (\$737,000, 11 positions), substance abuse newborn services (\$282,000, four positions), substance abuse residential treatment beds (\$235,000, three positions), Intensive Diversion Delinquency Services (\$99,000, one position), Juvenile Alternative Sanctions Program (\$35,000, one position); while some programs have received continuing appropriations, these dollars are not sufficient to continue services at the same level

**ECONOMIC DEVELOPMENT**

- ❖ The Office of Community and Economic Development (OCED) will perform environmental reviews previously provided by the Planning and Zoning Department (\$150,000, two positions)

**ENABLING STRATEGIES ("BUDGET AND FINANCE" AND "GOVERNMENT OPERATIONS")**

- ❖ The Audit and Management Services Department's FY 2003-04 Proposed Budget maintains current service levels and provides funding for 54 positions (a decrease of 5 positions from the current fiscal year); budgeted attrition decreased from 8 to 5.25 percent
- ❖ The Department of Business Development (DBD) Expedited Payment Program/Line of Credit in partnership with a local financial institution will begin providing cash flow to Community Small Business Enterprises awarded County contracts by the first quarter of FY 2003-04
- ❖ The Board of County Commissioners (BCC) approved the Capital Working Program in January, 2003 to increase opportunities for workers residing in Designated Target Areas (DTA) by providing jobs on County construction projects within the DTAs; the program was implemented in May, 2003; one new position in DBD (\$54,000) is funded in FY 2003-04 to assist with the development and implementation of the CWP training program, establish performance measures, and administer CWP procedures and the application process
- ❖ The Employee Relations Department (ERD) implementation of the interactive voice response system as a component of the recruitment process is scheduled for the fourth quarter of FY 2002-03; ERD expects an annual savings of \$300,000 from reduced advertising costs; funding of \$328,000 was provided from COR

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- ❖ In FY 2003-04, ERD will hire an additional office support specialist (\$34,000) to assist in the processing of an increasing number of resumes received via e-mail and two additional shared services analysts (\$132,000) to provide maintenance and support for the payroll rewrite project; the two shared services analysts will also be responsible for filing requests for ad hoc management reports
- ❖ In order to enhance customer service through improved technology, the Finance Department's Tax Collector's Office is exploring payment of tax bills via an e-check system; pending Board approval, implementation could take place as soon as FY 2003-04
- ❖ The Tax Collector Public Service Office hours have been extended two additional hours (8 a.m. to 6 p.m.), and employees are working ten-hour shifts, four days per week in order to accommodate the extended public service hours
- ❖ Pursuant to a new amendment to the Florida Statutes that permits the sale of tax certificates by electronic means, the Tax Collector is working with members of the Tax Collector's Association to determine guidelines for an online tax sale as well as technical requirements necessary to conduct the sale
- ❖ The Tax Collector's Office has instituted new tax sale procedures, including hiring professional auctioneers and real time data updates; the new procedures have increased internal controls and reduced the amount of staff time previously required to conduct the sale
- ❖ In the Department of Procurement Management (DPM), the equivalent of 12 positions will remain vacant due to funding limitations; not filling these vacancies will affect the department's operations and ability to meet deadlines and volume requirements
- ❖ Since implementation of e-Procurement in July, 2002, a total of 2,940 vendors have enrolled, 40,046 solicitations have been posted online, and 347 solicitations have been downloaded; the department has been able to generate savings to the County in excess of \$173,000 through five pilot reverse auctions
- ❖ The Strategic Acquisition Planning Division has been established using existing DPM resources; the division is expected to reduce organizational, policy and procedural impediments to competition through the Competition Advocate; the division will review all requests for bid waivers and sole sources; in the first six months, 476 existing no-bid contracts have been reviewed, of which 130 are eligible for competition
- ❖ The Property Appraiser's Office FY 2003-04 Proposed Budget includes 18 additional positions authorized in FY 2002-03; six positions in the Information Services Division to staff the EDMS unit; and five positions to meet the statutory requirement of timely exchange of information for Value Adjustment Board hearings; five real estate evaluators to analyze field data to meet ALA requirements for tax roll approval; two revenue generating positions for the Homestead Exemption (HEX) unit to validate existing homestead exemptions
- ❖ The Property Appraiser's Office received 29,500 renewals and 2,500 new Senior Homestead Exemption Program applications for the 2003 tax roll year; effect on the tax roll expected to be approximately \$810 million of taxable value; the Homestead Exemption Investigation project returned \$296 million in taxable value to the 2002 tax roll and is estimated to return \$300 million for the 2003 tax roll
- ❖ The Capital Improvements Construction Coordination (CICC) Department's development of a centralized capital project database to coordinate and track infrastructure capital improvement project adherence to budgets and schedules, and monitor critical sequencing of linked projects continues, and is expected to be piloted with two departments by September, 2003, and implemented with all departments by January, 2004; development of standard construction contracting, payment forms, contract language, and construction

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management policies and procedures, to ensure quality, reduce project delays, and avoid disputes continues, and is expected to be phased in by March, 2004; assistance in the development of a construction management training curriculum continues and is expected to be phased in by March, 2004

- ❖ CICC will work with DPM to develop a procurement strategy by which construction materials can be purchased directly by the County rather than by the individual contractors thereby saving state sales tax on the items; a report will be given to the Board of County Commissioners prior to the first budget hearing in September
- ❖ The Elections Department has added 10 new positions in FY 2002-03 (\$200,000) and will add an additional 13 positions in FY 2003-04 (\$871,000) to better manage the administrative functions, coordinate training efforts, and conduct error free and accessible elections
- ❖ The administration and warehouse operations will relocate to a new facility by the end of FY 2002-03, which will consolidate and streamline election logistics; funding for acquisition, related build-out of the facility and furniture, fixtures, and equipment will be provided through financing proceeds of \$8.35 million; repayment of the debt is budgeted in the Capital Outlay Reserve (\$717,000)
- ❖ The Proposed Budget assumes savings (\$2.8 million) from the elimination of staff, police, and security the night prior to election day, which will be possible when the state certifies the new voting machine software
- ❖ The Elections Department will improve voter education by mailing sample ballots for one countywide election rather than publishing them in newspapers in FY 2003-04 (\$125,000)
- ❖ The department provided for 14 early voting sites for the November 5, 2003, countywide general election, one in each Commission District as well as the one located at the Stephen P. Clark Center; the department will continue to provide early voting sites for municipal and countywide general elections
- ❖ In FY 2003-04, the department will purchase an Optical Imaging and Storage System, to digitally record all public records, including, voter registration cards, and voter registration changes (\$30,000); the new equipment will save labor and space at the Election Department's warehouse
- ❖ The department will receive \$307,000 from the state for voter outreach and education in FY 2003-04
- ❖ The FY 2003-04 Elections Department Proposed Budget includes training for 15,000 poll workers on the use of the voting equipment, and 1,400 County employees to provide voter verification on laptop computers, and provide assistance with operating voting equipment for precincts on election day
- ❖ Elections will continue to provide funding in FY 2003-04 for half the cost of Spanish and Haitian Creole language translator positions located in the Communication Department for the translation of ballots and other election materials (\$86,000)
- ❖ The General Services Administration (GSA) Fleet Management division has purchased 40 Toyota Prius hybrid vehicles; the Prius is rated at 46 miles per gallon
- ❖ The County will reduce its purchase of new vehicles by \$2 million by transferring 100 vehicles from twenty-four hour assignments to the vehicle pool; Fleet Management will contribute the \$2 million savings to COR

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- ❖ The e-Government Department's Proposed Budget increases the level of service by adding enhancements to the miamidade.gov portal, including initiation of an employee portal, allowing employee self services for such items as insurance enrollment, continuation of the Electronic Data Management System project (\$939,000), including continuing conversion of paper documentation to electronic records, and implementation of a new Enterprise Asset Management System
- ❖ The Information Technology Department (ITD) Proposed Budget includes the addition of 30 positions, all funded by customer revenue, including six positions to support the radio infrastructure, five positions to support telecommunications, five positions for personal computer and local area network maintenance, eight positions due to consolidations, four positions for project management, and two system analyst positions reclassified from e-Government
- ❖ Hardware for the new Regatta platform to enable hosting the miamidade.gov portal in-house and to add functionality was purchased (\$3.2 million); Metronet expanded from 10,000 to 12,000 users by providing unlimited accounts for each department
- ❖ The Oracle Enterprise Platform supporting Metronet, Internet, and data warehouse operations has been established, allowing a new license structure to be implemented with Oracle, and saving \$50,000 in licensing costs
- ❖ The redesign and upgrade of the 800 Mhz uninterrupted power systems was completed, resulting in a 100 percent increase in reserve power during power outages; the redesign also eliminated the single point of failure
- ❖ Negotiations for paging services resulted in an estimated savings of over \$200,000; more than 200 wireless local area network access points were installed, saving the County in excess of \$250,000 by avoiding cabling work
- ❖ The Data Processing and Communications Center consolidated workloads in the mainframe, allowing improved throughput for existing workloads and the capacity for the introduction of new web based initiatives, extending the useful life of the County's existing mainframe by one year; the County's enterprise firewall infrastructure was upgraded, providing enhanced performance, security, fault tolerance, and load balancing
- ❖ The Ethics Commission and Inspector General's Proposed Budget provides the Commission on Ethics (COE) with additional resources to track and monitor the activities of parties who have received conflict of interest opinions and who are engaged in major construction projects in County departments, verifying that the parties are acting in accordance with COE opinions

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**ADMINISTRATIVE AND OPERATIONAL EFFICIENCIES**

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The following summarizes the administrative and operational efficiency savings identified during preparation of the FY 2003-04 Proposed Budget. For FY 2002-03 these savings amount to approximately \$8.541 million in the Countywide General Fund, \$857,000 in the Unincorporated Municipal Service Area (UMSA) General Fund, and \$14.129 million for all funds. For FY 2003-04 the savings are estimated to be \$15.083 million in the Countywide General Fund, \$267,000 in the UMSA General Fund, and \$19.913 million for all funds. This list does not repeat \$30.9 million in efficiency savings incorporated into the proposed budget for FY 2002-03. The efficiencies listed below identify the value of the savings for both current fiscal year and next fiscal year.

- ◆ Agenda Coordination will post agenda items including attachments on the county's Intranet which will result in reduced printing costs (\$96,000)
- ◆ The Building Department will be amending the Unsafe Structures Ordinance in order to streamline the process and make evaluation of cases simpler; this change will result in a more efficient process allowing the Building Department to process 50 percent more cases than before with no additional personnel (\$100,000)
- ◆ The Building Department is implementing a new Internet application to allow the submission of subsidiary permits; this new web service will alleviate customer traffic to the department by allowing submission of these permit applications over the web thereby reducing the overall cost per transaction by reducing staff involvement (\$991,000)
- ◆ The Building Department will initiate a review of the current energy demands and cost (with either Florida Power and Light (FPL) or an outside entity that performs energy audits) at the new Miami-Dade Permitting and Inspection Center in order to implement and install energy monitoring devices for most of the electrical equipment in the building; this review will provide projected savings opportunities in the future without adversely affecting the level of service in the permitting and inspection process (\$80,000)
- ◆ Community Action Agency (CAA) will maintain vacancies that were not included in budgeted attrition and maintain current level of service (\$285,000)
- ◆ CAA reduced costs for elderly meals without adversely affecting quality and quantity of food (\$44,000)
- ◆ CAA reduced the County's grant matching requirement while maintaining the same level of funding (\$94,000)
- ◆ The Consumer Services Department will begin accepting chauffer registration renewal applications by mail reducing the required number of chauffeur office visits to one (\$23,000)
- ◆ The Consumer Services Department will install a digital camera system for chauffeur registration which will reduce the operating cost of producing chauffeur licenses (\$7,000)
- ◆ The Consumer Services Department can now provide administrative approval of for-hire licensing processing due to a revision to the Passenger Motor Carrier Ordinance; prior approvals had to be authorized by the Board of County Commissioners (\$28,000)

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- ◆ The Consumer Services Department is implementing a pilot program to develop and distribute newsletters electronically rather than in paper format to Cooperative Extension clientele with e-mail capability to save personnel time, duplication costs and postage (\$12,000)
- ◆ The Corrections and Rehabilitation Department is expecting to achieve savings above the targeted level specified in the Food Services Budget (\$506,000)
- ◆ The Corrections and Rehabilitation Department will reduce administrative support without affecting level of service (\$800,000)
- ◆ The Department of Environmental Resource Management (DERM) is deploying field staff with remote access and reducing the need for field staff to return to offices (\$175,000)
- ◆ The Department of Human Services (DHS) will reallocate unused grant funds to programs and reduce the level of general fund support (\$1.296 million)
- ◆ DHS will maintain vacancies that were not included in budgeted attrition for the department without decreasing level of service (\$228,000)
- ◆ DHS reduce security costs by eliminating unnecessary night shifts at neighborhood service center that is already protected by shutters (\$707,000)
- ◆ DHS will close the Miami Beach satellite office without reducing level of service (\$77,000)
- ◆ DHS increased Equal Opportunity Board grant funding thereby reducing the level of general fund support (\$22,000)
- ◆ DHS will reduce administration without affecting the level of service (\$200,000)
- ◆ The Department of Procurement Management (DPM) will achieve savings by using improved procurement methods for requests for proposals and invitations to bid (\$4.078 million)
- ◆ In lieu of purchasing new laptop computers, Elections is planning to borrow six hundred laptop computers from Miami-Dade Police Department (MDPD) to be used at each polling place (\$1.3 million)
- ◆ State certification of new Elections iVotronic Software is expected to eliminate the need for staff and security the night prior to election day (\$3.2 million)
- ◆ The Commission on Ethics and Public Trust and the Office of the Inspector General (OIG) expect cost recoveries due to investigations conducted by the OIG (\$487,000)
- ◆ The Finance Department expect savings due to prompt payment discounts to residents who pay their property taxes on time (\$200,000)

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- ◆ The Finance Department is consolidating field collection and enforcement operations which will allow field staff to canvas a greater area of the county and increase the enforcement of non-compliant residents (\$2 million)
- ◆ Fire and Rescue will increase civilian position attrition beyond budgeted level without reducing level of service (\$60,000)
- ◆ Fire and Rescue will defer discretionary capital costs without affecting level of service (\$220,000)
- ◆ Fire and Rescue uniformed personnel will return to field service and reduce overtime expenditures (\$900,000)
- ◆ Fire and Rescue will reduce backfill training costs without affecting level of service (\$700,000)
- ◆ Fire and Rescue will defer travel, registration and miscellaneous costs without affecting level of service (\$280,000)
- ◆ Fire and Rescue will eliminate the Basic Life Support (BLS) squad program without reducing services (\$300,000)
- ◆ Fire and Rescue will perform heavy fleet maintenance in-house (\$1.409 million)
- ◆ Fire and Rescue will not have to purchase drug Retavase since area hospitals will restock department supply (\$140,000)
- ◆ Miami-Dade County will pay reduced transportation costs for ambulance transport to Jackson Memorial Hospital/Public Health Trust (\$10 million)
- ◆ GSA will hire ten additional Heavy Duty Truck Mechanics which will bring additional work in-house, improve quality and reduce down-time and costs for customer (\$500,000)
- ◆ GSA will hire a Liability Claims Investigator, Group Insurance Representative, Clerk 2, Claims Representative 1 and GSA Abatement Coordinator which will increase recoveries by five percent, reduce claims cost, ensure compliance, reduce exposures and increase clerical efficiency
- ◆ GSA will eliminate one contracted security guard on each shift at the Stephen P. Clark Center (SPCC) (\$43,000)
- ◆ GSA will replace use of outside office systems contract personnel with county personnel from the Building Manager's office at the SPCC to replace light bulbs, locks and copy keys of systems furniture (\$17,000)
- ◆ GSA will provide laptop computers or other portable automated diagnostic equipment to enable field generator team personnel to perform enhanced field tests and have in-field service history (\$10,000)
- ◆ GSA will provide cellular telephones or Nextel equipment for generator team technicians (\$7,000)



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#### **ADMINISTRATIVE AND OPERATIONAL EFFICIENCIES**

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- ◆ GSA will create Project Management Section Manager position in order to provide staff with improved professional project management capabilities (\$137,000)
- ◆ The Juvenile Assessment Center (JAC) will achieve savings by training all personnel to conduct the entire range of assessments around the clock (\$350,000)
- ◆ JAC will receive administrative support from MDPD (\$517,000)
- ◆ The Medical Examiner will reduce administration without reducing level of service (\$135,000)
- ◆ The Property Appraiser expects to achieve savings by replacing Polaroid instant cameras with digital cameras; the digital cameras will be able to store approximately one thousand pictures electronically in the Computer Assisted Mass Appraisal System (CAMA) (\$9,000)
- ◆ The Property Appraiser will achieve savings utilizing the Electronic Data Management System (EDMS) which will store Personal Property Tax Returns and Homestead Exemption Applications electronically; this will result in decreased storage fees and greater accessibility (\$3,000)
- ◆ The Miami-Dade Transit (MDT) department expects to achieve savings by providing departmental support for the investigative process of liability claims which will reduce liability claims by 20 percent and expedite the investigative process (\$1.043 million)

# 2003-2004 PROPOSED BUDGET AND MULTI-YEAR CAPITAL PLAN

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## INTRODUCTION

The development of the Miami-Dade County Proposed Budget and Multi-Year Capital Plan and its submission to the Mayor and Board of County Commissioners (BCC) represents the culmination of countless hours of analysis and deliberation by County staff. The task of setting priorities for services the County can provide, while minimizing the burden of taxes and fees, is challenging and requires extensive consideration. For that reason, the Proposed Budget is presented in such a manner as to highlight important budget issues for the Board and the public in a clear and concise fashion. In accordance with growth management guidelines, a Proposed Multi-Year Capital Plan is also submitted at this time as part of the Proposed Budget document. The Miami-Dade County, Florida Annual Report to Bondholders, Series 6 contains information related to County debt and, as such, is a companion document to the Proposed Budget and Multi-Year Capital Plan. The FY 2003-04 Final Business Plan and Budget, which summarizes the final budget decisions, will be submitted after the public budget hearings in September to provide an overview of the budget process.

### **Basic Budgeting Concepts**

This section will help the reader better understand some of the terms and issues associated with government budgets in general and Miami-Dade County's budget in particular. It is intended to provide a basic understanding of the County Manager's FY 2003-04 Proposed Budget as presented to the Mayor and BCC.

The annual budget is a financial, operating, and capital plan for the coming fiscal year. It provides an outline of proposed service levels provided to the citizen and public capital investments in the community.

Miami-Dade County's budget is a tool that serves five purposes:

- **Information**: The budget document is the primary way for the County to explain to the public what it intends to do with the taxes and fees it collects. Through the budget document the public can see how and where tax dollars and other revenues raised by the County will be spent.
- **Planning**: The budget process is an annual plan for management of the County to coordinate and schedule programs and services to address the County's priorities.
- **Prioritization**: County resources to address needs identified by the Mayor, the BCC, and the County's strategic plan, are prioritized through this process.
- **Evaluation**: The budget is used to help determine how well services are provided and how successful the County is in meeting the community's needs.
- **Accountability**: The budget is a tool for legally authorizing public expenditures and to account for and control the use of public resources.

### **Fiscal Year**

A fiscal year is a twelve-month cycle that comprises a budget and reporting period. The County's fiscal year for this proposed budget starts October 1, 2003, and ends September 30, 2004.

## 2003-2004 PROPOSED BUDGET AND MULTI-YEAR CAPITAL PLAN

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### Millage Rates

The millage rate is a rate of taxation that is applied to property values to generate necessary revenue to pay for services proposed in the budget. The State Constitution places a 10 mill cap each on County (areawide) and municipal property tax rates.

The County actually has four operating millage rates; three (countywide, fire, and library) are subject to the County (areawide) 10 mill cap. The fourth is the unincorporated area millage, which is subject to its own 10 mill cap. In addition, the County has millage rates for voter-approved debt service. Debt service millage rates are not included in the calculation of total millages for operating purposes. The revenue raised from the debt service millage pays outstanding debt for voter-approved general or special obligation bonds. The County has debt service millages for voter approved countywide debt and for Fire-Rescue District debt.

### A Mill of Tax

A mill is a rate of tax equal to \$1 for each \$1,000 of assessed taxable property value. If your property has a taxable value of \$100,000 and the millage rate is 1, the property owner would pay \$100 in taxes. In Miami-Dade County for FY 2003-04 the average taxable value of a home after taking into account the homestead exemption is approximately \$114,096.

### Calculation of Property Taxes

There are four factors for calculating the amount of property tax assessed on property:

1. The value of the property
2. Adjustments for Amendment 10 of the Florida Constitution (if applicable); Amendment 10 to the State Constitution limits the growth in assessed value of residential properties with a homestead exemption to the lesser of the growth in the Consumer Price Index (CPI) or three percent (for FY 2003-04 such growth is limited to CPI growth of 2.4 percent).
3. The amount of value that is not subject to taxes (e.g., the \$25,000 homestead exemption and the additional homestead exemption for senior citizens who meet income criteria)
4. The millage rate

According to state law, the County Property Appraiser determines the market value of each property in Miami-Dade County as of January 1 each year. Then Amendment 10 adjustments are applied to find the assessed value. Finally, appropriate exemptions are applied to reach the taxable value. The taxable value is then multiplied by the millage rates set by the BCC and by other taxing authorities in September to determine the amount of property taxes that must be paid for the property when the bill is mailed in November.

For example, if a property's assessed value is \$125,000 and the owner is entitled to a homestead exemption (valued at \$25,000 per home), then the taxable value of the property is \$100,000. When a millage rate of 25 is applied to the taxable value, the taxes would be \$2,500 per year. The calculation is performed by taking the taxable value (\$100,000), dividing by 1,000 and multiplying by the millage rate (25).

## 2003-2004 PROPOSED BUDGET AND MULTI-YEAR CAPITAL PLAN

### Taxable Value and Millage Rates

The State defined rolled-back millage rate is the millage rate that would allow the taxing authority to raise the same amount of property tax revenue for the new budget as it estimates to receive in the current year when applied to the tax roll for the new year, excluding revenue from new construction. Therefore, by excluding reassessments in its calculation, the rolled-back rate does not take into account inflationary growth in the County. The aggregate rolled-back millage rate is the sum of each individual rolled-back millage rates weighted by the proportion of its respective roll to the countywide tax roll.

While Miami-Dade is responsible under state law to collect all taxes imposed within the county, the County itself levies only certain taxes on the tax notice. Table 1.1 shows the millage rates and taxes paid in FY 2002-03 by a residential property located in unincorporated Miami-Dade with an assessed value of \$125,000 and a taxable value after homestead exemption of \$100,000. These rates include debt service as well as operating millages. The rates in italics are the ones levied by the Miami-Dade Board of County Commissioners.

Using the example of table 1-1, of the \$2,187 of tax collected, \$1,188 or 54.3 percent is controlled by the County, \$560 for UMSA, Fire Rescue, and Library services (city-type) and \$628 for countywide services.

For residents of cities, all of the rates would apply, except the individual city millage rate would be used in place of the UMSA rate. Some cities are not in the fire rescue district or library system and, thus, those rates would also not apply to those property owners.

TABLE 1.1 FY 2002-03 Operating and Debt Service  
Tax Rates and Calculated Taxes for a Property with  
a Taxable Value of \$100,000 in Unincorporated  
Miami-Dade County (Taxes are rounded)

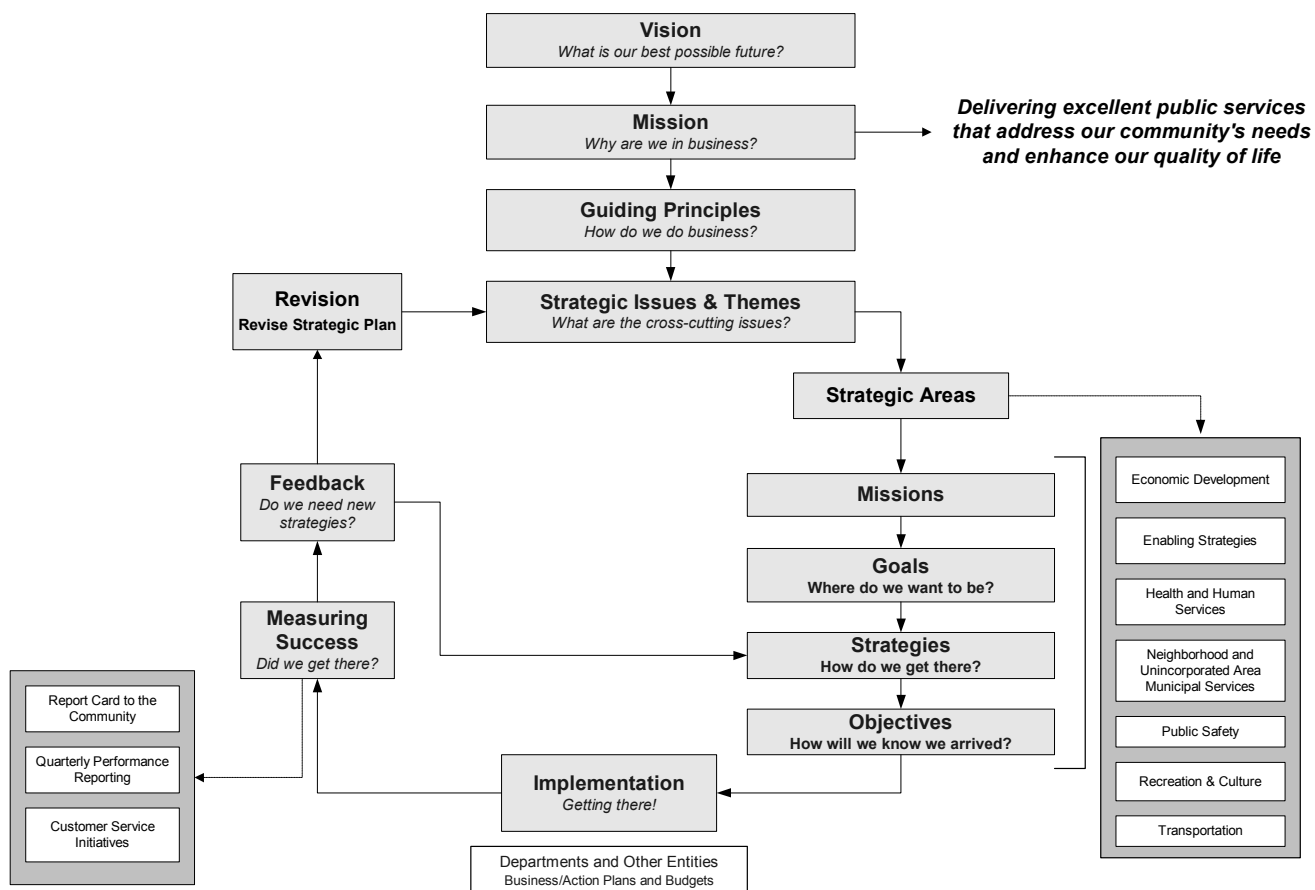
Authority	Millage Rate	Tax	% of Total
<i>UMSA Operating</i>	2.447	\$245	11.2%
<i>Countywide Operating</i>	5.889	\$589	26.9%
<i>Fire-Rescue Operating</i>	2.582	\$258	11.8%
<i>Library System</i>	0.486	\$49	2.2%
<i>Countywide Debt Service</i>	0.390	\$39	1.8%
<i>Fire-Rescue Debt Service</i>	0.079	\$8	0.4%
<b>Total to County</b>	<b>11.873</b>	<b>\$1,188</b>	<b>54.3%</b>
School Board	9.252	\$925	42.3%
Everglades	0.100	\$10	0.5%
Water Management	0.597	\$60	2.7%
Inland Navigation	0.0385	\$4	0.2%
<b>Total</b>	<b>21.8605</b>	<b>\$2,187</b>	<b>100%</b>

## 2003-2004 PROPOSED BUDGET AND MULTI-YEAR CAPITAL PLAN

### Strategic and Business Planning for High Performance

On June 3, 2003, the Board of County Commissioners adopted resolution R-664-03, Miami-Dade County's first ever Strategic Plan community goals and key strategic outcomes. The process involved elected officials, other community leaders, citizens and professionals in their fields. The plan lays out a county mission, goals, objectives, supporting strategies, and preliminary key performance indicators. It is a strategic roadmap – one that articulates where we want to be, how we will get there, and how we know when we've arrived.

### Miami-Dade County Strategic Planning Model



This year marks the first that the county has a multi-year strategic plan in place that departments can align their annual operational plans (business plans). County departments have recently begun this process; that is, departments are refining their specific operational initiatives, and how they link with organizational strategies. In some cases current initiatives may not be sufficient to achieve all strategic plan objectives. The strategic plan, however, is a five year plan; performance objectives contained therein may not be achieved until 2008, whereas departmental business plan objectives are updated at least annually. This process of managing resources to achieve business plan objectives that are guided by a multi-year strategic plan is a substantial undertaking and a significant departure from traditional government managing. As this results-oriented approach matures, greater alignment between the strategic plan and departmental business plans will be achieved. This proposed budget

## 2003-2004 PROPOSED BUDGET AND MULTI-YEAR CAPITAL PLAN

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incorporates these results-oriented government concepts, with specific focus on performance measurement, into overall resource allocation decisions of County government. Each department continues to create and refine their operational performance measures to track progress towards achieving the intended outcomes contained in the strategic plan.

These measures can be categorized into one of four types:

1. Outcome (effectiveness): These measures depict the degree to which performance objectives are achieved, reflect the quality or customer satisfaction with a service, or combine a measure of effectiveness and efficiency into a single indicator. These measures focus on the final results of programs and activities.
2. Efficiency: These measures relate the resources used to perform the work and the amount of work actually performed. This measure is a ratio between inputs to outputs.
3. Output (workload) measures: These measures indicate the amount of work performed or the amount of services received.
4. Input measures: These depict the resources used (employees, dollars, equipment, work hours) in delivering a service or product.

Using these categories, departments create measures that reflect their operations from a balanced perspective. Department managers use performance measures, first, as a tool to improve performance and, second, to inform others about their progress towards achieving their objectives. Performance measures reported in the Proposed Budget represent ongoing efforts to provide a balanced set of measures within a business planning context.

### **Budget Development Process**

Pursuant to Article 4 of the Miami-Dade County Charter, the County Manager is required to recommend a proposed budget to the Mayor and BCC between June 1 and July 15. The Mayor is then required to prepare a written response to the County Manager's proposed budget and present it to the BCC on or before the BCC adopts the proposed millage rates.

Although submission of the Proposed Budget occurs between June 1 and July 15, budget development actually begins several months earlier in December, three months into the fiscal year. In December and January staff begin forecasting revenues and expenditures for both the current and the ensuing fiscal years to initiate the development of preliminary budget forecasts for the upcoming fiscal year. In January, the County Manager submits a list of budget priorities to the Board. In March the Mayor delivers a budget address putting forth his funding priorities. The Board defines its budget policies in April to guide budget preparation.

During January and February, County departments worked to formulate their FY 2003-04 operating budget requests for submission to the Office of Management and Budget (OMB). In an effort to minimize tax and fee changes, departments are typically instructed to develop budget submissions that attempt to continue the current service levels at constrained revenue limits. Throughout the process of developing the budget, the primary goal is the preservation of service levels that, due to inflation, may cost more than they did in the prior year. As a result, each department is urged to identify and implement efficiencies. Proposed service enhancements are isolated so that they can be thoroughly evaluated in light of the associated requirements for additional funding. This work requires numerous meetings among County staff to discuss and evaluate proposed service levels and funding. In March, the Mayor will present a budgetary address pursuant to the County Charter.

It is important to note that despite the several changes to Miami-Dade's calendar for preparing the budget, there are certain budget-related deadlines established by state statute. By July 1, the Property Appraiser certifies the Final Preliminary Property Tax Rolls. In July, the Board determines the proposed millage rates to be used to calculate

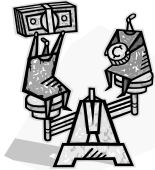
## 2003-2004 PROPOSED BUDGET AND MULTI-YEAR CAPITAL PLAN

the estimated taxes published in the "Notice of Proposed Property Taxes" sent to each property owner in August. This determination is a significant point in the budget development schedule since the millage rates set by the Board in July will represent a ceiling for property taxes for the ensuing fiscal year.

In accordance with Resolution No. R-1018-94, public meetings are held throughout the unincorporated area in August to discuss proposed new or increased fees and taxes. These meetings also serve as a forum to describe the budget to the Community Councils and the public. As required by state law, two public budget hearings are held in September prior to the adoption of the budget. At the conclusion of the second public hearing, which must be at least ten days before the end of the fiscal year, the Board makes final budget decisions, establishes tax rates, and adopts the budget ordinances for the ensuing fiscal year which begins on October 1. During the course of the fiscal year these budgets may be amended through supplemental budget appropriations approved the BCC.

### Budget Process FY 2003-04

#### DECEMBER-JANUARY



BUDGET FORECASTING  
FOR COMING YEAR

#### JULY 1



TAX ROLL RELEASED

#### JANUARY



COUNTY MANAGER'S  
BUDGET PRIORITIES  
RELEASED

#### JULY



PROPOSED BUDGET  
PRESENTED

#### JANUARY-MARCH



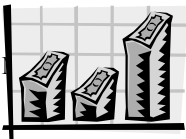
DEPARTMENTAL  
BUDGET PREPARATION

#### JULY



MAYOR'S RESPONSE TO  
PROPOSED BUDGET

#### MARCH



MAYOR'S BUDGET

#### JULY-AUGUST



PROPOSED MAXIMUM  
TAX RATES ADOPTED  
BY COUNTY  
COMMISSION;  
NOTICES OF PROPOSED  
TAXES MAILED

#### MARCH-MAY



BUDGET WORKSHOPS  
WITH COUNTY  
COMMISSION AND  
COMMISSION  
COMMITTEES

#### SEPTEMBER



TWO PUBLIC BUDGET  
HEARINGS

#### APRIL



COUNTY COMMISSION  
APPROVES BUDGET

#### OCTOBER 1



NEW BUDGET BECOMES  
EFFECTIVE

## 2003-2004 PROPOSED BUDGET AND MULTI-YEAR CAPITAL PLAN

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### Format and Presentation of Proposed Budget and Multi-Year Capital Plan

The Miami-Dade Proposed Operating Budget presents the full array of County operations. County departments are grouped into eight areas: policy formulation, six service delivery areas (public safety, transportation, recreation and culture, neighborhood and unincorporated area municipal services, health and human services, economic development), and enabling strategies. This grouping organizes the departmental narratives by the strategic area that they primarily support with service. The enabling strategies group is further subdivided into budget and finance, and government operations. Each strategic area grouping of departments is separated in this book with a divider page that states the corresponding mission, goals, and priority key outcomes for that strategic area. This approach highlights the strong relationship between departments' operational plans (business plan and proposed expenditure allocations) and the strategic plan.

Individual department descriptions are divided into as many as seven sections. First, a brief statement of the department's purpose and a functional table of organization are provided. A brief description of the department's business plan follows, including selected strategies and objectives that address the strategic areas, and the departments' capital program strategy. The next section, "Service Status and FY 2003-04 Recommendations" describes significant activities, status of capital projects, operational issues, and accomplishments in the current fiscal year, and an overview of FY 2003-04 budget recommendations. Because the Proposed Budget is released nine months into the fiscal year, many of the service status items may not actually be completed before release of the budget, but are presented with a reference to their status. Workload or performance measures, cost comparisons, charts, graphs, and other relevant statistics considered in developing the FY 2003-04 budget are also included to enhance the presentation of issues, which may not be fully addressed in the narrative sections. Individual departments that provide area-wide and municipal type services have their "Service Status and FY 2003-04 Recommendations" section distinguish between countywide and unincorporated area services. Recommendations that affect services being provided by departments, and efficiency improvements are in boldface. The following section "Unmet Needs" provides readers with a summary of needs that have not been addressed in the budget. Details of the operating unmet needs can be found in the appendix; detailed listings of unfunded capital projects are contained in the Appendix volume. A summary of departmental funding and authorized positions, as well as a breakdown of total budgeted expenditures into personnel, other operating, and capital allocations, is at the end of each departmental description along with the capital expenditure summary. The detail reflected at the end of the departmental pages shows expenditures by source of funding and identifies revenue to the general fund generated by general fund-supported departments.

Departmental funding summaries use functions or primary activities to provide details on how the budgeted funding and positions are allocated among services and programs. Also, provided are measurable business plan information that focuses particularly on key performance measures that relate to major departmental activities. To the extent possible, recommendations have been based on departmental performance. The appendix to the Proposed Budget and Multi-Year Capital Plan includes a more detailed version of the funding summaries grouped by strategic area and another table that consolidates all departmental expenditures into the categories of personnel, other operating, and capital, in accordance with generally accepted budgeting practices. The modified accrual basis of budgeting is used for governmental funds and the accrual basis is used for proprietary funds in this presentation. More information on the basis of budgeting and the fund structure is available in the Annual Report to Bondholders.

Other important budget information, as descriptions of the recommended millage rates and related property tax rolls, the County's population, social service program funding, tourist tax revenues, gas tax revenues, and community-based organizations (CBO) funding, also can be found in the appendices. A glossary of terms used in the Proposed Budget and Multi-Year Capital Plan, and an index can be found in the back of the book.



## 2003-2004 PROPOSED BUDGET AND MULTI-YEAR CAPITAL PLAN

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Where departmental reorganizations or realignments are recommended, the pertinent FY 2003-04 budget figures as well as the FY 2002-03 figures, relating to both funding and staffing, have generally been adjusted so that they are comparable to the FY 2003-04 recommendation. This convention is used to isolate budget changes for comparative purposes by normalizing for organizational shifts.

Figures relating to budgeted and recommended staffing levels on the departmental pages and in the appendices are limited to full-time positions. Part-time, temporary, and seasonal positions are not included in the staffing figures but their costs are included in the proposed expenditures. Position totals in the current year budget columns are updated to reflect actions taken by the Board during FY 2002-03, such as budget amendments.

Consistent with last year's practice, the FY 2003-04 Proposed Budget and Multi-Year Capital Plan merges the operating and capital budget into one document. An appendix to this document is also available and it contains detailed information regarding funded and unfunded multi-year capital projects as well as information regarding non-bond related debt.

### **Countywide/Unincorporated Area Allocation**

Consistent with its two-tier governmental structure, the County provides two basic levels of service: countywide metropolitan governmental services for all Miami-Dade County residents and municipal services for residents of the unincorporated area of the county (approximately half of Miami-Dade County's total population). The unincorporated area is known as the unincorporated municipal service area or UMSA.

The Miami-Dade operating budget separates countywide from UMSA appropriations. That separation ensures that residents pay only for the services they receive. The narratives and funding summaries for operating departments, that receive general fund support, address the countywide and UMSA budgets separately, as appropriate. The division of expenditures into countywide and UMSA services is relatively simple in most instances. Health care, mass transit, correctional facilities, and courts, for instance, are clearly countywide services. The Miami-Dade Police, Park and Recreation, Planning and Zoning, and Public Works departments, however, provide both area-wide and municipal services. The costs requiring property tax support in those departments are allocated between the Countywide General Fund and the UMSA General Fund budgets. Each department's cost allocation is reviewed annually.

Police services provided in the unincorporated area are similar to police services provided by municipal police departments. These services include uniform police patrols, general investigative services, school crossing guard program services, and community based crime prevention programs. Criminal and other specialized investigative activities primarily serve the unincorporated area, but also provide support to municipalities on an as needed basis. Those costs are allocated between the countywide and unincorporated area budgets based on relative workloads during 2002. Countywide police functions are generally the state-mandated sheriff's functions and include the crime laboratory, court services, civil process, warrants, animal services, public corruption investigations, and portions of the communications and records bureaus. The expenditures of overall support functions such as the director's office, the legal and professional compliance bureaus, and information technology are allocated in accordance with the overall department-wide allocation between countywide and UMSA budgets. In the review of the allocation process, it was determined that un-reimbursed costs of police presence supporting municipal police departments at events of countywide significance as approved by the BCC should also be treated as countywide functions. The allocation of the police budget is 24 percent to the Countywide budget and 76 percent to the UMSA budget for FY 2003-04, as compared to 23 percent and 77 percent respectively in FY 2002-03.

## 2003-2004 PROPOSED BUDGET AND MULTI-YEAR CAPITAL PLAN

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The Park and Recreation Department's expenditures are divided similarly. UMSA park facilities and recreational programs are local in scope and, therefore, are funded from the UMSA budget. Included in this group are community and neighborhood parks, community pools, and non-specialized recreational programming. Countywide park facilities and programs serve all county residents and include regional parks such as Amelia Earhart, Ives Estates, Tamiami, and Tropical park; metropolitan parks, such as the Crandon Park, Matheson Hammock Park, Metrozoo, cultural facilities, natural areas and ocean beaches. Administrative support and construction (planning, design, development, and maintenance) costs are allocated between the Countywide and UMSA budgets on the basis of the relative costs of direct services. Some countywide park facilities such as golf courses, marina and tennis centers, generate sufficient revenues to support their operations and do not require property tax support.

The Park and Recreation Department is in the process of a comprehensive review, which would further define the goals, objectives and policies for meeting the present, and future recreational needs for all residents and visitors. The planning process specifically addresses open spaces and facilities that will provide recreational opportunities of regional significance. The department recommends the shift of 18 park facilities of regional significance, currently funded from UMSA to be funded from the Countywide general fund. These facilities include environmentally sensitive lands, such as wetlands and rockland hammocks; greenways; regional tournament quality facilities; and current district parks. Through this evaluation and analysis, the Department seeks to continue to provide for the development, programming and maintenance of a comprehensive regional park system that will offer quality and diverse recreational experiences while preserving and protecting valuable natural, historical and cultural resources. As a result of the review, Parks property tax supported costs are allocated 61 percent to the Countywide budget for FY 2003-04 as compared to 44 percent in FY 2002-03.

General fund support to planning functions within the Planning and Zoning Department is allocated based on proportions of workload that relate to the unincorporated area as compared to the overall county. Because most planning activities such as maintenance of the Comprehensive Development Master Plan, development reviews, preparation of special planning studies, and support of community councils are local in nature, the costs are allocated to the unincorporated area budget. Costs associated with the review of Developments of Regional Impact, area-wide economic forecasting and census related activities, however, are included in the countywide budget because of their area-wide significance. Planning general fund subsidies are distributed 81 percent from countywide and 19 percent from the unincorporated area as in the current year.

The Public Works Department's unincorporated area budget provides funding for local right-of-way maintenance activities which include pothole patching, paving, resurfacing, sidewalk repair, and landscape maintenance. Area-wide Public Works Department responsibilities such as traffic control, traffic engineering design, mosquito control, arterial road maintenance, and bridge operations are funded from the countywide budget. Several direct services are both Countywide and UMSA funded. These include right-of-way, highway engineering, and right-of-way aesthetics and assets management. As in the case of the Parks Department, some Public Works services, such as causeways, are fully self-supporting and require no property tax support. Administrative costs are allocated on the basis of the relative costs of direct services. As a result of this year's review of the cost allocation method, countywide support next fiscal year will be 80 percent compared to 74 percent in the current year because more unincorporated area functions are reimbursed in FY 2003-04 than had been in FY 2002-03.

The cost of the County's central administration, which supports operating departments, is apportioned based on the ratio of departmental countywide versus unincorporated area operating costs. For FY 2003-04, the ratio is 65 percent countywide and 35 percent for the unincorporated area. In some cases, specific functions within a particular central administrative department are funded from either the countywide or unincorporated area budget depending on the population served while other functions may be funded differently. For example, the Clerk of the Board Division of the Office of the Clerk is part of the County's central administration and as a result is funded by the Countywide General Fund and UMSA General Fund revenue in the same proportion as the rest of the County's

## 2003-2004 PROPOSED BUDGET AND MULTI-YEAR CAPITAL PLAN

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central administration. General fund support to the rest of the Office of the Clerk, on the other hand, is all countywide since that department's functions are for all county residents.

Revenue allocation is more clearly defined and usually based on statutory guidelines. Counties are authorized to collect certain revenues, as are municipalities. In accordance with State law and the Home Rule Charter, the unincorporated area realizes revenues comparable to those received by municipalities in Miami-Dade County. More detail on revenue allocations is provided in the FY 2003-04 Revenues section of the Proposed Budget and in the appendix of this book.

The FY 2003-04 Multi-Year Capital Plan has an estimated cost of \$2.212 billion, which is a 1 percent decrease from FY 2002-03. Unfunded projects have an estimated cost of \$4.847 billion, which represents an 18 percent decrease from FY 2002-03. This decrease is due primarily to the passage of the People's Transportation Plan resulting in a decrease in the strategic area of Transportation (approximately \$2.276 billion).

The proposed FY 2003-04 countywide voted debt service millage is 0.285 mills dedicated to the remainder of the \$553.1 million Decade of Progress Bond Program, the 1982 Criminal Justice Facilities Bond Program and the Safe Neighborhood Parks Program. The proposed voted debt service millage for the Fire Rescue District is 0.079 mills for the 1994 Fire District Special Obligation Bond Program.

The following capital transactions have occurred or are planned for the current fiscal year:

- Safe Neighborhood Parks (SNP) Bonds, Series 2002 - \$11.355 million to finance park and recreation facilities (fifth series under the Parks Bond Program)
- Special Obligation Bonds - Juvenile Court Project, Series 2003 - \$90.455 million backed by Filing Fees
- Water & Sewer System Revenue Refunding Bonds, Series 2003 - Approximately in an amount not to exceed \$275 million to current refund the Water & Sewer System Revenue Refunding Bonds, Series 1993 maturing after October 1, 2003; Anticipated issuance in late August 2003
- Aviation Port Authority Properties (PAP) Revenue Bonds, Series 2002A - \$600 million to finance airport expansion projects and rollout portion of the Commercial Paper Program
- Aviation Port Authority Properties (PAP) Revenue Bonds, Series 2003A - \$291.4 million to finance airport expansion projects
- Aviation Revenue Refunding Bonds, Series 2003B - \$61.160 million to current refund the Aviation Revenue Bonds, Series W
- Aviation Revenue Refunding Bonds, Series 2003C, and Series 2003D - \$146.8 million to current refund the Aviation Facilities Variable Rate Demand Bonds, 1984 Series A and the Aviation Facilities Revenue Bonds, 1992 Series B, respectively
- Auction Rate Aviation Revenue Refunding Bonds, Series 2003E - \$139.705 million to advance refund the Aviation Facilities Revenue Bonds, 1994 Series C

The issuance of the Series 2003C, Series 2003D and Series 2003E Bonds immediately listed above effectuated the merger of Aviation Development Fund Facilities (ADF) into Port Authority Properties (PAP); These ADF facilities include the Hotel at Miami International Airport, the Top-of-the-Port Restaurant and cargo and certain other aviation facilities located at the Airport, the County's other general airports and its flight training airport.

Capital financing transactions planned for FY 2003-04 include:

- Aviation Port Authority Properties (PAP) Revenue Bonds, Series 2004 - \$600 million to finance airport expansion projects and rollout portion of the Commercial Paper Program; Proposed issuance in Spring 2004
- Safe Neighborhood Parks (SNP) Bonds, Series 2004 - Approximately \$25 million to finance park and recreation facilities (sixth series under the Parks Bond Program); proposed Issuance in Spring 2004

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- Subordinate Special Obligation Bonds (Convention Development Tax) - Approximately \$116 million to finance portion of the costs of the Performing Arts Center and other cultural facilities; proposed issuance Fall/Winter 2003
- Improvements to the Country Club of Miami - A \$ 2.025 million debt to finance improvements to the South Course of the County Club of Miami
- Fire Department - Approximately \$8 million to finance the UHF Replacement Radio System and approximately \$5 million to finance a new Air Rescue Helicopter
- Public Works - Approximately \$8 million to finance the 97<sup>th</sup> Avenue Flyover project from Road Impact Fee District One
- Various Capital Acquisition and Technology Financing Projects – approximate costs for the purchase of the Elections facility (\$8.35 million), technology associated with the Answer Center (\$9.4 million), Americans with Disabilities Projects (\$4.7 million), improvements to the Golf Club of Miami (\$4.6 million), the Children's Museum (\$5 million), the Courthouse Façade Project (\$15 million), and mainframe computer upgrades (\$4 million)

Some projects included in the FY 2003-04 Capital Budget may be constructed utilizing miscellaneous construction contracts. Projects will be implemented utilizing various competitive processes to acquire traditional design-bid, design-build, construction manager at risk or miscellaneous construction services.

The Miami-Dade Proposed Budget and Multi-Year Capital Plan is specifically designed to enhance the reader's understanding of the scope and nature of county government. Users of this document are invited to share their comments, suggestions, or criticisms by writing to the Office of the County Manager, 111 N.W. First Street, Suite 2710, Miami, Florida 33128, or by calling 305-375-5143.

## 2003-2004 PROPOSED BUDGET AND MULTI-YEAR CAPITAL PLAN

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### 2003-04 REVENUE

Miami-Dade County's operating budget is actually a combination of budgets relating to distinct services including regional area-wide services provided countywide, local services in the unincorporated area, referred to as the unincorporated municipal service area (UMSA), library services provided by the Miami-Dade Library System, and fire-rescue services provided within the Miami-Dade Fire Rescue District, as well as numerous proprietary operations and special assessment district functions. Each is separated to ensure that public revenues are used only for their authorized purposes and that residents pay only for those services available to them. Various types of revenues support Miami-Dade County's operations: taxes on property, sales, motor fuel, and utility bills; fees and service charges; federal and state grants; and others. Many of these revenues carry restrictions on their use which provide constraints during the budget development process.

The most significant source of discretionary revenue to local governments in Florida is the property tax. Miami-Dade County's property tax rolls have recovered well from losses associated with Hurricane Andrew; estimated tax roll growth (from the 2002 preliminary roll) for FY 2003-04 is estimated at 12.4 percent, higher than the average for the five years before Hurricane Andrew, and the highest since after the hurricane. In accordance with Amendment 10 to the State Constitution, the increase in property assessments for 2003 homestead residential properties will be capped at 2.4 percent, the growth in the Consumer Price Index.

The total of all operating and voted debt millage rates is 11.873, the same as in FY 2002-03. Pursuant to state law, the sum of the countywide, Fire Rescue, and Library millage rates is subject to a 10 mill cap; at 9.062 mills, FY 2003-04 will be the ninth consecutive year that the sum is below that cap. Overall, the proposed millage rates reflect an increase of 11.2 percent above the state defined aggregate rolled-back rate.

In general, discretionary revenue, other than property taxes and sales taxes, is expected to grow at a rate reflecting economic and population growth. Proprietary operations, such as the Aviation and Seaport departments, will grow to the extent that their activity and operating revenues permit. Pursuant to state law, revenues are budgeted at 95 percent of projected receipts. Certain revenues, such as cash carryover, are exempted from this requirement.

#### **Countywide General Fund**

The Countywide General Fund is increasing by approximately 11.5 percent in FY 2003-04. Property taxes (\$740.863 million) are still the largest revenue source for the Countywide General Fund accounting for 72.7 percent of the total. This tax is levied on all non-exempt real and personal property in the County. The countywide millage is recommended at 5.994 mills, an increase of 0.105 mills as compared to the FY 2002-03 rate, but lower than the rate in FY 1974-75. The debt service millage is recommended at 0.285 mills, a decrease of 0.105 mills. The total of the recommended Countywide operating and debt service millage rates for FY 2003-04 (6.279 mills) is the same as in FY 2002-03. The net revenue raised by the 0.105 mills transferred to the Countywide operating millage will fund an emergency contingency reserve.

State revenues routinely shared with Miami-Dade County consist largely of gasoline taxes, Local Government Half-Cent Sales Tax Program distributions, and County Revenue Sharing Programs. In addition, the state has authorized and the County has imposed the Six-Cent Local Option Gasoline Tax (LOGT), which is shared with municipalities, and a one-cent (also called ninth cent) local option gas tax. The budget for the six-cent LOGT is \$41.921 million, \$46,000 more than the current year budget. This estimate is based on FY 2001-02 collections, FY 2002-03 year-to-date collections, State of Florida Department of Revenue's statewide projections, and a reduction

## 2003-2004 PROPOSED BUDGET AND MULTI-YEAR CAPITAL PLAN

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in the County's allocation due to incorporations. State gas tax revenue is expected to grow by 3% and is budgeted at \$12.636 million. The Ninth Cent LOGT is expected to follow the same trend and is budgeted at \$10.568 million in FY 2003-04.

Sales taxes continue to be the largest revenue component of the County and Municipal Revenue Sharing Trust Funds, replacing allocations from intangibles and cigarette taxes. County revenue sharing distributions are used to fund guaranteed entitlement debt service payments first and the remaining amount is budgeted as general revenue. In FY 2003-04, net County revenue sharing receipts to the general fund are budgeted at \$27.121 million.

Miami-Dade County receives Half-Cent Sales Tax Program distributions using a state defined formula, which divides the revenue among the municipalities and the County based on population. Sales tax revenues are then allocated between the countywide and UMSA budgets based on the same formula. In FY 2003-04 the distribution proportions are 44 percent countywide and 56 percent UMSA, a change from 37 percent countywide and 63 percent UMSA in FY 2002-03 due to recent incorporations. Total FY 2003-04 budgeted sales tax revenue is 5.6 percent lower than the current year level due to recent incorporations and the effect of Article V legislation adopted by the State legislature during the 2003 legislative session. As a result of the change in the formula allocation between countywide and UMSA, the amount budgeted for the Countywide general fund is \$45.818 million or 10.5 percent higher than the current year level.

Revision 7 to Article V of the State Constitution stipulates that Office of the Clerk court-related operations be funded primarily by filing fees and service charges, and therefore a portion of court-related revenues which in the past were treated as general funds proceeds, will be as of July 1, 2004 retained by the Office of the Clerk to fund court-related operations. After adjusting for these new constitutional mandates Clerk's revenues are budgeted at \$47.556 million, a 1.8 percent increase from the current year budgeted level of \$46.736 million. Countywide occupational license tax revenue to the countywide general fund is budgeted at \$3.048 million. As in the current year, \$471,000 in occupational license revenue is budgeted in FY 2003-04 to fund consumer protection activities in the Consumer Services Department which regulates businesses throughout the county.

The FY 2003-04 estimate for cash carryover is \$19.084 million, an \$8.837 million increase from the \$10.247 million budgeted in the current year.

Interest earnings are expected to yield \$6.029 million, \$854,000 less than budgeted in FY 2002-03. This estimate is based on year-to-date actuals and projections, as well as the return on county investments. Interest revenue to the general fund is derived not only from revenue in the general fund, but also from certain trust funds, reserve accounts, internal service funds, and revenues whose earnings may be legally transferred to the general fund.

Administrative reimbursement payments from proprietary funds will total \$65.942 million in FY 2003-04. Consistent with past practices, administrative reimbursement revenue has been allocated between the countywide and unincorporated area budgets in the same proportion as the administrative expenses they support: 65 percent countywide and 35 percent UMSA. Changes in total payments from proprietary agencies are largely a reflection of changes in proprietary operating revenue. The Water and Sewer Department makes both an administrative reimbursement payment and a return on equity payment. The return on equity component of this payment is treated as countywide revenue while the administrative reimbursement portion is allocated between the countywide and UMSA budget based on the administrative reimbursement allocation.

### **Unincorporated Municipal Service Area General Fund**

The unincorporated municipal service area (UMSA) relies heavily on utility-based taxes and franchise fees. Unlike the countywide general fund, only 28 percent of unincorporated area revenue is derived from property taxes. The

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utility tax, communications tax, and electrical utility franchise fee revenue comprise 37 percent of the FY 2003-04 revenue budget and are charged only to unincorporated area residents. Utility tax revenues are estimated at \$71.124 million based on historical growth and year-to-date collection information. Communications tax revenue is estimated at \$57.242, net of the amount dedicated to Public Works (\$1 million) and technology improvements (\$2 million). The electrical utility franchise revenue is estimated at \$36 million.

The UMSA millage rate is recommended at the level of 2.447 mills, which is the same as the FY 2002-03 rate. This rate generates \$123.661 million of budgeted revenue to the UMSA general fund.

Miami-Dade's municipal revenue sharing is budgeted at \$38 million in FY 2003-04. The allocation of local government sales tax to the unincorporated area continues to reflect all of the sales tax revenue derived on behalf of the unincorporated area population in accordance with the State defined formula and County policy. This allocation represents 56 percent of total County local government sales tax as compared to 63 percent in the current year. UMSA sales tax revenue is budgeted at \$58.789 million in FY 2003-04, a \$10.592 million decrease over the current year's budget due to recent incorporations and Article V legislation adopted by the State legislature in the 2003 legislative session. Occupational license tax proceeds to the UMSA general fund are budgeted at \$3.71 million in FY 2003-04, and do not include an additional \$1.5 million that go to fund the unincorporated area's share of the Finance Department. Cash carryover for FY 2002-03 is estimated at \$12.674 million. Interest earnings are budgeted at \$3.04 million; UMSA fines and fees collected by the Office of the Clerk are budgeted at \$6.325 million. Sheriff fees, including a \$25 annual registration fee for all registered alarm systems in the County, as well as fines for false alarm violations, are budgeted at \$3.8 million.

### **Proprietary Funds**

Proprietary agencies are supported entirely from fees and charges generated by their operations (as in the case of Aviation); by a special property tax (the Miami-Dade Fire Rescue District and Library System); a special assessment (Solid Waste Collection); or by proprietary revenue, including grants, which augment a general fund subsidy (Park and Recreation).

Property taxes comprise 87 percent of Miami-Dade Fire Rescue Service District revenues. The Fire Rescue District tax roll is currently estimated at \$79.991 billion with approximately \$ 2.2 billion in new construction. The proposed millage of 2.582 maintains the current millage and generates \$196.21 million in property tax revenue for the district. This property tax level increases the current level of services by providing partial-year funding for three new response units, continuation of the enhanced station maintenance and heavy fleet replacement program, second year funding to complete the replacement of the department's Saber radios, and debt service for a replacement of the UHF infrastructure, and microwave communications backbone. The Proposed Budget recommends fee adjustments for ground transport, occupancy inspections, and plans review fees.

Funding for the FY 2003-04 Air Rescue Division will be provided from countywide property tax (\$7.254 million) and a transfer from the Public Health Trust to support the Opa-locka service expansion (\$900,000).

The FY 2003-04 Proposed Budget continues to treat the Finance Department as a proprietary department operating within the revenue it collects. The department will retain control over certain tax collector fees and revenues including auto tag (\$5.20 million), real estate (\$6.39 million), and occupational license (\$1.50 million).

Property taxes comprise 90 percent of Miami-Dade Library System budgeted revenues for FY 2003-04. The Miami-Dade Library System 2003 tax roll is \$116.884 billion with approximately \$3.8 billion for new construction. The recommended millage of 0.486 mills is the same as the FY 2002-03 rate and yields \$53.965 million in property tax revenue for the system. This amount provides the Library System with funds to buy new books and materials (\$5.8

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million), additional staffing for new facilities (\$441,000) to accommodate the increasing number of library patrons throughout the County, and funding for capital renovations (\$2.12 million). State aid to libraries is estimated at \$2.5 million, a \$437,000 reduction from the FY 2002-03 level due to state budget cuts. In addition, the Library System is expected to spend \$6.808 million under the expansion plan approved in March 2002; \$18.171 million is expected to remain in reserves for FY 2004-05 and beyond.

Revenues from aviation fees, rentals and commercial operations are expected to increase \$20 million from the FY 2002-03 level projected level with an associated increase in operating revenues per passenger to \$15.81 from \$15.69. In addition to inflation, this increase is required primarily for operational needs such as safety and security staffing, maintenance and utilities expense. Landing fees revenue which represent approximately 15 percent of total airport revenues, are currently at a rate of \$1.80 per 1,000 pounds of nominal gross landing weight. The actual landing fee effective on October 1, 2003 will be calculated in August as part of the regular semi-annual landing fee calculation process. The Aviation Department will continue to impose the FAA approved passenger facility charge of \$4.50 per passenger that is used for airport capital improvement projects.

In FY 2003-04, total Seaport revenues are estimated at \$100.404 million. The budget recommends several increases to tariffs; passenger wharfage (to \$7.50 per passenger from \$7.25 per passenger), overall dockage (to \$0.22 per gross registered tonnage (GRT) from \$0.21 per GRT), general cargo wharfage (to \$1.95 per ton from \$1.90 per ton), and parking rates per day (to \$12 per day from \$10 per day); all other tariff rates and fees are not being increased this year a response to ongoing aggressive competition. Consistent with past practice, the Seaport will evaluate market conditions and revenue experience in the first quarter and may recommend changes in January 2004.

The FY 2003-04 Proposed Operating Budget for the Water and Sewer Department includes a 6 percent overall revenue requirement increase for FY 2003-04 and an additional 6 percent increase for FY 2004-05. The 6 percent overall revenue increase will consist of revisions to the retail water and wastewater rates and wholesale water and wastewater rates. Beginning October 1, 2003 the average 7,500 gallon combined water and wastewater residential customer's charges will increase by \$1.95 per month or a 6.5 percent increase. The average residential customer's monthly charges will increase from \$30.19 to \$32.14. A similar retail water and wastewater rate increase is recommended to be adopted during this budget cycle for FY 2004-05. To meet revenue requirements, the Department must increase rates and draw down reserves to a minimal level. Increasing renewal and replacement costs, compliance with new environmental regulations, and reduced levels of interest income are the primary causes for the rate increases. The FY 2003-03 Proposed Operating Budget includes new fees for lab testing of drinking water, removal of water meters from delinquent customers, increased administrative costs for processing third party developer transactions, and penalty charges for unauthorized usage of water on a fire line.

Department of Environmental Resources Management (DERM) utility service fee revenue is budgeted at \$17.46 million and comprises 32 percent of the department's total revenues. In order to recover all costs associated with general operations, DERM's permitting and plans review fees have been approved to increase by 15 percent in FY 2003-04 yielding an additional \$1.3 million. Since these fees were last adjusted in 1996, operating expenses have increased while utility service fee receipts have been flat. The Stormwater Utility fee is recommended to increase by \$0.50, to \$3.50, per month per equivalent residential unit (ERU) in FY 2003-04 and by another \$0.50, to \$4.00, per month per equivalent residential unit (ERU) in FY 2003-04 to raise additional funds necessary for the local match on \$720 million of FEMA projects.

The Public Works Department is not proposing any fee increases for FY 2003-04.

The household waste collection fee is proposed to increase to \$399 from \$349 for FY 2003-04. Consistent with the contractual agreement with municipalities and private haulers, a Consumer Price Index (CPI) adjustment to the



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disposal tipping fee is recommended. Based on an estimated CPI of 1.5 percent for July 2002 through June 2003, the contracted disposal tipping fee would increase to \$50.35 from \$49.65, the non-contracted tipping fee would increase to \$66.40 from \$65.45; and the transfer fee to \$9.95 from \$9.85. The actual amount of the increase will be set prior to the September budget hearing based on the actual CPI for that period. A per cubic yard charge based on the contract disposal tipping fee for landscapers permitted to use Trash and Recycling Centers and disposal facilities is recommended. An annual \$10 dumpster sticker fee is recommended for dumpsters located at businesses, condominiums and multi-family units by private haulers in the service area to pay for benefits received for illegal dumping clean-up, storm clean-up and commercial enforcement provided by the department. The annual scheduled bulky pick-up, used by only one out of six curbside customers, is recommended to be eliminated in lieu of providing the service at an \$18 per cubic yard, which is the same rate as in the current year.

No fee or rate increases are currently being proposed for next year for the Building Department. However, the department will review its fee analysis at the end of the first quarter in FY 2003-04 to determine if a fee increase is required. The results of this review will be presented to the industry and the Board of County Commissioners in the fall of 2003.

The Department of Planning and Zoning is recommending an eight percent zoning fee surcharge for a duration of three years in order to fund technology initiatives; total revenue to be generated is projected at \$1.258 million, with \$419,000 going to the technology initiative funds in FY 2003-04.

Proposed fee adjustments in the Park and Recreation Department include increases in select winter and summer golf rates and a projected increase in the number of rounds played (\$500,000), increased boat ramps fees and annual permits (\$150,000), increased wet slips and transient dockage at the marinas (\$200,000), increase in gate admission at Deering Estate (\$10,000) and an increase in Show Mobile and sound system rental rates (\$10,000). The total additional revenue from the proposed fees is estimated at \$870,000.

State transit operating assistance for FY 2003-04 is budgeted at \$16.287 million, which is the same as the current year. The recommended budget assumes the use of \$22.4 million for capitalized maintenance expense from the federal formula grant. Operating revenues for Miami-Dade Transit are budgeted at \$84.0 million which includes revenue from increased services as a result of the People's Transportation Plan. The County Charter Transit System one half-cent sales surtax will provide \$66.9 million for transit operations. The total FY 2003-04 Charter County Transit System one half cent sales surtax revenue is budgeted at \$154 million, which will be provide funding for Capital projects, distribution to municipalities, and funding for People's Transportation Plan implementation. Non-operating revenues, including advertising, joint development, permits and leasing fees are budgeted at \$5.5 million.

Several departments rely heavily on state and federal funding in their budgets. The proposed Department of Human Services (DHS) budget, for example, includes \$98.617 million in federal and state grants (63 percent of the total budget). These revenues have been budgeted based on our most current information of likely state and federal funding scenarios. The Board will be provided with an update on state and federal funding as more information is available. As a general policy, unless specifically approved by the Board, County funding is not substituted to continue state or federally funded programs for which funding has been reduced or eliminated.

The existing occupational license tax earmarked for economic activity is expected to generate \$3.486 million and will continue to be allocated to the Beacon Council. Pursuant to Board action on June 7, 1994, eight percent of Beacon Council revenue from this source (\$279,000) will be transferred to the Metro-Miami Action Plan Trust for its economic development activities.

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The E-911 telephone fee is recommended to remain at its current rate of \$0.50 per telephone line per month and will continue to fund E-911 operations and system maintenance.

### **Transient Lodging and Food and Beverage Taxes**

Miami-Dade County collects and manages distribution of the Tourist Development Tax (TDT), Convention Development Tax (CDT), Tourist Development Surtax on food and beverage sales, and Food and Beverage Tax for homeless and domestic violence programs and facilities. A description of resort taxes in effect throughout Miami-Dade County is contained in the appendix to this Proposed Budget.

Consequent to the events of September 11, Tourist Taxes inevitably took a sharp decline, specifically the taxes related to hotel stays. The CDT, TDT and Sports Tax actuals for FY 2001-02 were an average of 16 percent less than the actual receipts in FY 2000-01. The FY 2002-03 bed taxes were budgeted to recover about halfway to pre-September 11 levels and the latest projection show them under that by approximately one percent. Early bookings indicate no growth in FY 2003-04 and increased growth in FY 2004-05 and FY 2005-06. Food and Beverage taxes were not affected as greatly – the TDT surtax and the one percent additional food and beverage tax are both projected to end the year above pre-September 11 levels. In accordance with state law, FY 2003-04 budgeted revenues are at 95 percent of the estimated collections.

The TDT, a two percent transient lodging tax collected throughout the County except in Miami Beach, Bal Harbour, and Surfside, is budgeted at \$10.73 million in FY 2003-04. These funds are allocated to various cultural and tourism activities funded through Miami-Dade County Cultural Affairs Council and Tourist Development Council grant programs, and the Greater Miami Convention and Visitors Bureau, for advertising and promotion efforts, and to the City of Miami for sports and tourism promotion related activities. The TDT also reimburses a portion of the costs of a Board of County Commissioners' legislative analyst position.

The Professional Sports Franchise Facility Tax (PSFFT) is budgeted at \$5.36 million in FY 2003-04 and will continue to be used to pay debt service associated with various sports facilities designated by the Board including the stadium at the Tennis Center at Crandon Park, the Orange Bowl, the Golf Club of Miami, the Miami Arena, the Crandon Park Golf Course, the Homestead Baseball Stadium, and the Homestead Motorsports Complex. It is recommended in the Proposed Budget that, in light of the contractual and programmed obligations of the CDT and the reduced receipts due to the events of September 11, that PSFFT receipts be used to the extent possible to relieve the burden on the CDT receipts.

The CDT, budgeted at \$28 million in FY 2003-04, is a three percent transient lodging tax levied throughout the County excluding Surfside and Bal Harbour. The tax proceeds are allocated to the payment of bonds issued for the Performing Arts Center and land for the American Airlines Arena, to the operating subsidy for the American Airlines Arena, to the City of Miami Beach for operation of the Miami Beach Convention Center Complex, payments for the Miami Sports and Exhibition Authority (MESA) for the debt and operating subsidies for the Miami Arena, and cultural programs, as allowable by state statutes. Residual revenues are retained by the County for other CDT eligible uses.

Revenue generated from the two percent Tourist Development Surtax on food and beverage sales in hotels and motels is budgeted at \$4.3 million in FY 2003-04 and is used for tourist and convention-related promotions and advertising by the Greater Miami Convention and Visitors Bureau.

The 1993 state legislature expanded the Tourist Development Surtax and enabled Miami-Dade County to impose an additional one percent tax on the sale of food and beverages by establishments with consumption-on-premises alcoholic beverage licenses and gross annual revenue exceeding \$400,000. Revenues are dedicated for programs

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assisting the homeless and victims of domestic violence. Establishments subject to the Tourist Development Surtax are excluded from the new tax. Budgeted FY 2003-04 revenue is \$10 million and will be allocated to homeless assistance programs (85 percent) and for the construction and operation of facilities providing domestic violence shelter and services (15 percent).